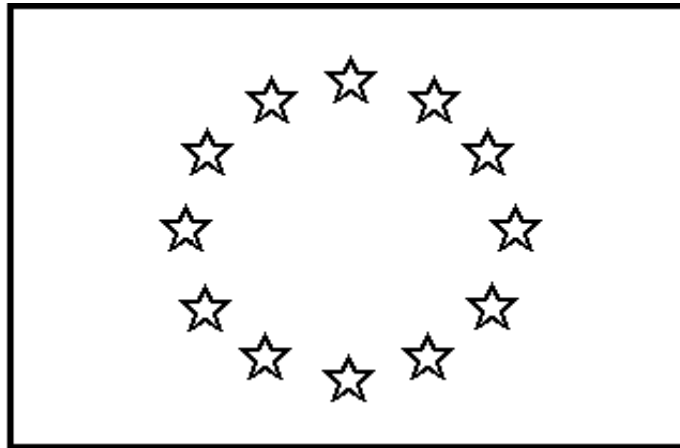


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**INTERREG IIIB
Northern Periphery Programme**

ANNUAL REPORT 2003



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ANNUAL REPORT FOR INTERREG IIB NORTHERN PERIPHERY PROGRAMME YEAR 2003

1 Introduction

This annual report for the Interreg IIB Northern Periphery Programme is made in accordance with Council Regulation (EC) 1260 1999 on general provisions on the Structural Funds. It has been created by the Managing Authority of the programme, in cooperation with the Joint Secretariat for the Programme Monitoring Committee (PMC), and was approved by the PMC at their meeting on the 24th of April 2004.

The Interreg IIB Northern Periphery Programme proposal was first submitted to the European Commission on 21st November 2000 and then resubmitted on 24th April 2001. The European Commission approved the programme on the 14th of December 2001.

There have been five calls for main project proposals since the programme was approved, which has resulted in the submission of 44 applications, 23 of which have been approved. By December 2003, 27 preparatory projects and 2 micro projects had also been approved. This means that in total the programme has committed 15,1 MEUR, or 52% of programme funds of which 9,8 MEUR is ERDF and 5,3 MEUR is ERDF-equal funds. Further information on funding commitments and projects can be found in chapter 3.

During 2003 several projects submitted their first and second claims for payment. As the reporting period finished at the end of 2003, the actual payments will be made at the beginning of 2004. Many Micro and Preparatory Projects submitted their final report and claim during 2003 and have therefore been concluded. However, as illustrated in Chapter 3, the majority of these micro and preparatory projects progress to become main applications, proving the value of this innovative approach.

If the expenditure target is set to 1/3 of the eligible budget for the entire programme period then the programme is on target. However, if the payments shall keep up with the N+2 demand, which is based on the budget tables for the programme, it is very much desirable that more of the funding should be operative in ongoing projects.

A Mid-Term Evaluation in accordance with the General Regulations was performed during 2003, which produced an encouraging result. Although the evaluators have suggested ways of improving programme implementation, due to problems and weaknesses, they gave the crucial question “*Is the programme underway to achieving its main goals?*” a positive answer. “*Both on the strength of strategies and priorities chosen, and the performance at the programme level, the underlying objectives of the programme have- from the point of the evaluators- been kept in focus*”.

The evaluators summarise their recommendations for the remaining period of the programme in 16 points. (See Section 5.8 – Mid Term Evaluation)

A critical point for the programme during 2003 was the low level of payments from the programme. A warning was received from the European Commission regarding the risk of

automatic de-commitment of funding due to the low payment level. Consequently, actions were taken to address the issue, and the final result was that payments for 2003 reached the N+2 level and the programme avoided the loss of funding.

2 Changes in the general conditions with importance for the implementation of the programme

During 2003 there were no significant changes in the general conditions with importance for the implementation of the programme within the programme area. In Sweden a referendum was held regarding the question of Sweden joining the European Monetary Union, which resulted in a negative outcome. However, the result seems not to have affected interest from Swedish regions in becoming involved in the NPP.

For general information about socio-economical factors, such as population, migration and unemployment for regions within the programme area, please read the 2002 Annual Report.

3 Summary of results and effects on programme level

The Interreg IIIB Northern Periphery Programme proposal was first submitted to the European Commission on 21st November 2000 and subsequently resubmitted on 24th April 2001. The European Commission confirmed receipt of the programme proposal on 4 May 2001, which meant also the start date for eligible expenditure. Representatives of the Member States, Managing Authority and the JPS met with the DG Regio of the European Commission, in Brussels on 20th August 2001 to discuss and agree on some amendments to the programme proposal. The programme received formal approval on 14th December 2001.

In parallel with the approval process, preparation of programme implementation continued during 2001. During the first half of 2001, activities concentrated on setting up the Joint Programme Secretariat in Copenhagen and organising the Managing and Paying Authority in Umeå, Sweden. The second half of 2001 was aimed at making the programme operational and launching the first call for project proposals on 30th September - 31st October. In practise this meant preparing the applicant's package, including the application form, guidelines and the datasheets. The programme website www.northernperiphery.net was opened at the end of September 2001.

The Northern Periphery Programme was evaluated and the Mid-Term Evaluators (MTE) set out a number of recommendations. One recommendation was that the chosen strategies and priorities should be adhered to in the remaining programme period. At the Programme Monitoring Committee meeting on 27th of November 2003, the PMC decided to accept this recommendation and therefore not make any reallocation between *priorities* in the financial table.

The Northern Periphery Programme will adhere to the allocation of money in the different priorities and the Joint Programme Secretariat will continue to promote the programme, in order to increase demand for priorities with low commitment levels. The Programme Monitoring Committee agreed with the MTEs and the commitment rates (%) by priority and measure, which are as follows:

Commitment rates by priority and measure and percentage

| | | |
|-------------------|--------|-------|
| Priority 1 | | 30.6% |
| Measure 1.1 | 17.2% | |
| Measure 1.2 | 44.1% | |
| Priority 2 | | 53.1% |
| Measure 2.1 | 49.5% | |
| Measure 2.2. | 58.3% | |
| Priority 3 | | 35.7% |
| Measure 3.1 | 8.1% | |
| Measure 3.2 | 100.3% | |
| Priority 4 | | 100% |
| Measure 4.1 | 100% | |
| Measure 4.2 | 100% | |

See Annex 1. Monitoring System 2000 – 2006 for further detailed information.

The Joint Programme Secretariat predicts that demand will remain high in priority 2, and estimates that approximately 70% of the forthcoming applications will be in priority 2. Within this priority, the highest demand can be seen in measure 2.2. The demand for money in different priorities is the same for both Member States and Non Member States. However, as shown in Annex 1, the Non Member States have a higher commitment level than the Member States, which is an encouraging indication that the Non Member States are committed to the programme.

To create a higher demand for other priorities, the focus from the Joint Programme Secretariat will be to promote priorities 1 and 3 more vigorously. One tool, which the Joint Programme Secretariat has used, is to arrange partenariats in the programme area. The partenariat approach has changed from being open for all project ideas in all measures to one that focuses on key themes. Originally, key themes were developed in a meeting of the Regional Advisory group (RAG) chairs in Levi, Finland, which all RAG chairs and Regional Contact Points (RCP) attended, see section 5.4 for more information. The strategic themes developed by key actors from the NPP region were used for the first time at the Nairn Partenariat, which was held in Scotland in November 2003. The success of this exercise will be evident in main applications during spring 2004. During 2004 the Joint Programme Secretariat will arrange for two partenariats in co-operation with the RCPs. Both of these partenariats will primarily focus on key themes that will result in applications to priorities 1 and 3.

As shown above, only 8.1 % of funding has been committed in measure 3.1. This has caused the Programme Monitoring Committee to take action and the committee agreed to give measure 3.1 an intervention rate of 75% in objective 1 areas for the 6th application round. By permitting this intervention rate, the PMC aims to stimulate the number of applications in this measure.

During 2003 the programme was fully operational. The following sub-chapters will give an account of programme implementation and activities in 2003.

3.1 Micro and Preparatory projects

In the previous Article 10 Northern Periphery Programme, the use of micro projects proved useful at lowering the barriers created by the geography of the Northern Periphery Programme Area. In order to achieve a larger share of projects with complex partnerships

of different actors from each country, experience pointed to the need for this type of preparatory project. The programme therefore makes use of three different types of projects:- main projects, preparatory projects and micro projects.

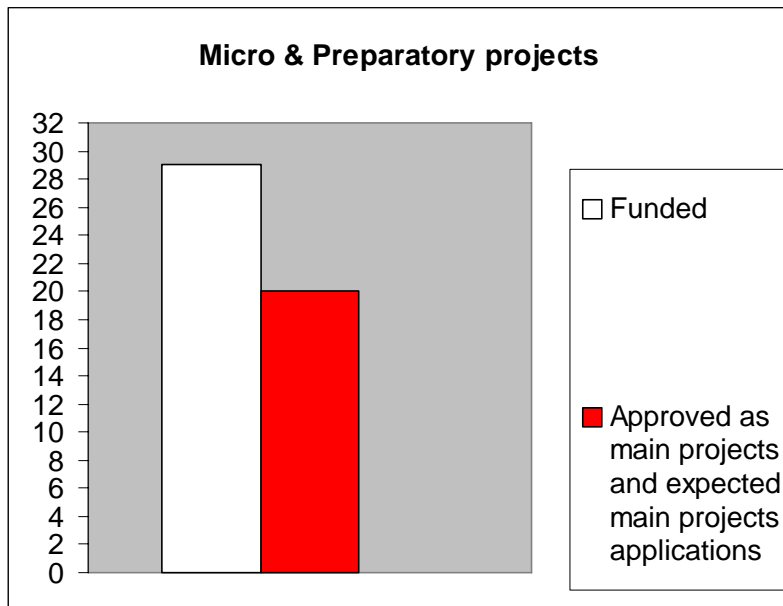
The Northern Periphery Programme had an initial budget of approximately 200 000 EUR for micro and preparatory projects. However, due to the high demand, the PMC in June 2003 decided to increase the allocation of funds to micro and preparatory projects by 200 000 EUR to a total budget of 400 000 EUR. The Joint Programme Secretariat was delegated sole authority for making decisions concerning these two kinds of projects, with advice being offered by the Regional Contact Points.

The main purpose of micro projects is to establish first contact between partners from the “old programme area”, i.e. Finland, Sweden, Scotland and Norway, and potential partners in the new parts of the programme area, i.e. Faroe Islands, Greenland and Iceland. This funding is expected to cover travel expenses and costs related to the initial encounter.

Preparatory projects mobilise broader partnerships and facilitate the drawing up of joint project plans. Preparatory projects are also used for committing partners to specific contributions, and for reducing risks connected with developing large projects involving complex partnerships. Preparatory projects are intended to lead to an application for main project funding.

The JPS has received 47 micro and preparatory project applications in total. As a result, 29 projects have been approved, 14 rejected or withdrawn, and four were asked to resubmit their applications. The following diagram shows the number of funded preparatory projects that became main projects or are expected to be main projects.

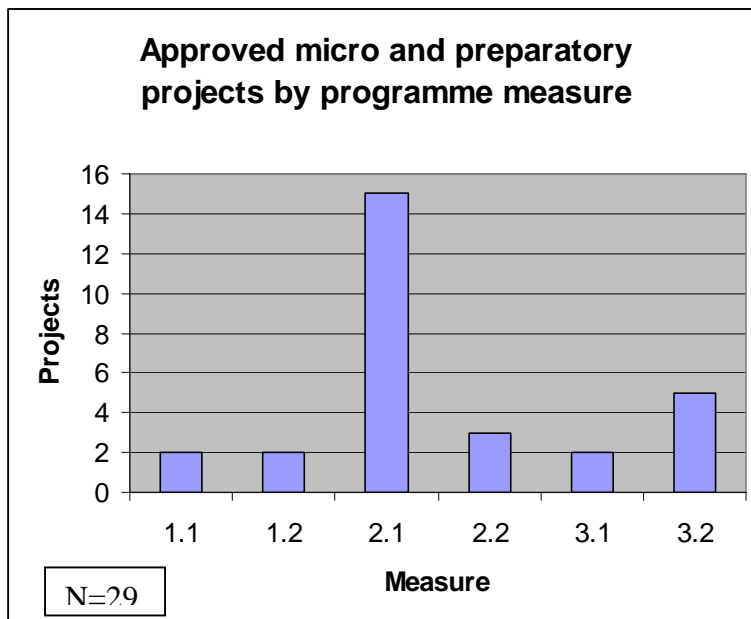
Diagram 1. Micro and preparatory projects



A total of 76 % of funding was committed at the end of the current reporting period. As diagram 2 shows, the most popular measure is measure 2.1, which has funded 52% of projects (15). Only 8% of projects were funded under each of the three measures 1.1, 1.2 and 3.1. To date, twelve former preparatory projects have developed to become main projects. From the projects funded in 2003, eight preparatory projects resulted in a main project: Rural business information portals, Community Business, Citizens dialogue based development for the elderly care, BITWON - Bio timber alternative network on innovation

and development, Development by Trade Marketing, Youth Entrepreneur Factory, Promotion of natural stone industry in the northern areas, and USEVENUE. Currently, eight preparatory projects are on going.

Diagram 2.



- 1.1 Transportation, logistics & transport infrastructure
- 1.2 Access to information society
- 2.1 Sustainable use of nature and natural resources
- 2.2 Business innovation and development of human resources
- 3.1 Household related service provision
- 3.2 Public management and spatial planning

The following section gives a short description of projects approved in 2003 and their expected results.

Micro projects

Priority one.

Internet based healthcare for community employees

The project aims to reduce sick leave and ill health among community-employed staff by using an internet based healthcare solution. The project has completed its activities and a final report is due. As a result, a main project application is expected to be presented to the Programme Monitoring Committee in 2004.

Priority two.

National parks and sustainable development of the northern peripheral regions

The overall goal of the project is to establish a transnational network between the northern periphery regions in order to exchange knowledge and identify critical issues to be developed when constructing an innovative project cluster for promoting sustainable rural development through the growth and sustainable management of nature and culture based tourism within and in connection to national parks/protected areas. The project has completed its activities and a final report is due. A preparatory project application is expected in March 2004.

Preparatory projects

Priority one.

FreightNet

The aim of the project is to develop a new network that would increase air services throughout the Northern Periphery. The project has completed its activities and a final report is due. A main project application was presented to the Programme Monitoring Committee who recommended that the project should be resubmitted with special attention to the structure and contents of the partnership as well as justification and complementarity of the project. The Steering Committee also suggested including south-north transportation.

Priority two.

Promotion of natural stone industry in the northern areas

The purpose of the project is to create new business opportunities and enhance the sustainable use of vast natural stone resources of the NPP area by developing the operational environment of enterprises. The project has completed its activities and a final report is due. As a result, a main project application was presented to the Programme Monitoring Committee who decided to approve the project in June 2003.

Sustainable development of fish aquaculture

The project aims to engage the aquaculture industry and R&D institutions currently involved applied research and development of new marine species for fish farming in the Northern Periphery. The project has completed its activities and a final report is due. As a result, a main project application is expected to be presented to the Programme Monitoring Committee in 2004.

Sustainable use of aggregate resources

The main objective is to develop technologies for the exploitation of resources in aggregate production and for optimal use of these aggregates by the end users. The project has completed its activities and a final report has been received. A main project application is expected to be presented in June 2004; however, the lead partner has declined to present a main application due to the lack of interest.

Assessment of cultural heritage in remote areas (ACHiRA)

The project aims to adopt technologies that will create data compatible with the IT communication networks being established throughout the NP regions. The preparatory project will enable a highly qualified consortium to discuss the key areas where technology can provide a cost effective and valuable interpretation of the condition of heritage materials such as earth, wood and stone. The project has completed its activities and a final report is due. As a result, a main project application is expected to be presented to the Programme Monitoring Committee in September 2004.

Enhancing local activity and values from forest land

The project aims to learn from communities who have developed successful forest based businesses and who are demonstrating the non-monetary values that can be gained from forests. The project will work as a contact link between local people, forestry companies, agencies and local authorities to share learning and stimulate co-operation to exploit opportunities and resources. The project has completed its activities and a final report is due. A main project application was presented to the Programme Monitoring Committee in March 2004. The Programme Monitoring Committee recommended that the project should be resubmitted and include missing elements of the project such as a wider and more

balanced transnational partnership and an explanation of the additionality of project activities.

Geo park network

The project aims to develop and establish a network of geo-parks in the Northern Periphery and to develop geo-tourism on a sustainable basis to benefit the environment and local communities in areas of exceptional geological heritage. The project is expected to complete its activities before submitting a main project application in September 2004.

People, Parks and Progress

The project aims to establish a transnational network in the northern periphery regions to exchange knowledge and identify critical issues regarding sustainable rural development through management of nature and culture based tourism in connection to national parks/protected areas. The project is expected to complete its activities before submitting a main project application in September 2004.

Sustainable management of Scots Pine in the NP to maximise biodiversity

The project aims to develop clear guidelines and practical decision support tools for the management of Scots pine in the Northern Periphery focusing on the parallel demands of timber quality and biodiversity. The project is expected to complete its activities before submitting a main project application in September 2004.

Developing small and medium scale wood-fuel supply chain

The project aims to investigate areas and identify obstacles to the establishment of local woodchip fuel supply chains and the most cost-effective areas for future development. The project is expected to complete its activities before submitting a main project application in September 2004.

Alternative substances in feed for Atlantic cod

The project aims is to search for co-operative partners and (R&D) actors in the field of aquaculture with special emphasis on cod farming and finding innovative ways for sustainable use of natural resources for the benefit of the local communities. The project is expected to complete its activities before submitting a main project application in September 2004.

USEVENUE

The project aims to increase the economic, social, environmental and cultural benefits associated with events in the Northern Periphery area by diversifying the use of traditionally seasonal venues. The project has completed its activities and a final report has been received. A main project application was presented to the Programme Monitoring Committee who decided to approve the project in November 2003.

Priority three.

Open doors to the region

The project aims to seek new innovative solutions to the problems of the sparsely populated areas and depopulation. The project has completed its activities and a final report is due. As a result, a main project application is expected to be presented to the Programme Monitoring Committee in September 2004.

The Delivery of Services to Remote and Rural Areas: A Transnational Exchange of Ideas and Practices

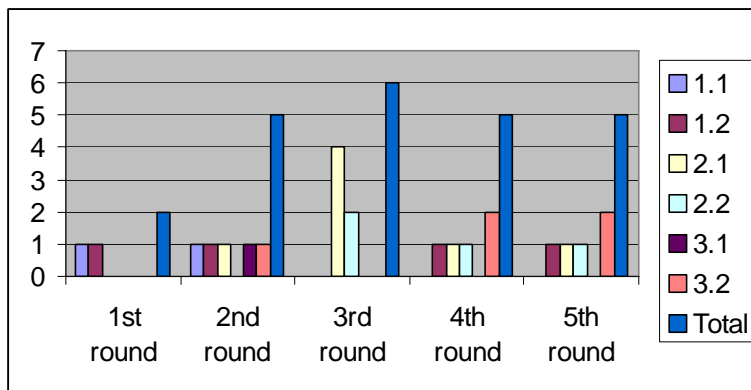
The project aims to create a network of partners across the Northern Periphery for the improvement of the delivery of services to remote and rural areas through the sharing models of rural service delivery and best practices. The project has completed its activities and a final report is due. A main project application was approved by the Programme Monitoring Committee in March 2004.

3.2 Main projects

Decisions on main project applications received were taken at the first Programme Monitoring Committee of 2003, which met on 12-13 June 2003 and again at its second meeting on 27-28 November 2003. (See also chapter 5).

From a total number of 44 main project applications received by the Secretariat in these five application rounds, 17 projects were recommended for resubmission, four projects were withdrawn, and 23 projects were approved by the PMC meeting as a Steering committee. The following diagram illustrates the division of received applications by measure in each application call, and approvals by measure by the PMC.

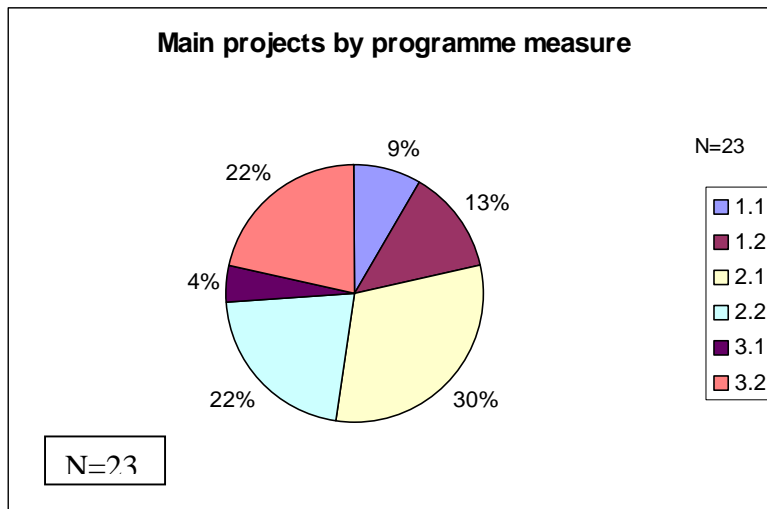
Diagram 3. Main project applications



Funding from the European Regional Development Fund (ERDF) for the programme is 21,27 MEUR including Technical Assistance. Altogether 23 main projects and 29 micro and preparatory projects were approved up to the end of 2004. In total the programme has committed 15,1 MEUR, which represents 52% of programme funds: 9,8 MEUR from the European Regional Development Fund and 5,3 MEUR from Non-Member States. For further details see Annex 1 which shows the total funding commitments on measure level, and Annex 2 which shows all the funding decisions..

Diagram 4 illustrates the division of projects by measure and shows that 30% of projects are funded by measure 2.1. Conversely measure 3.1 has the smallest number of projects with only 4%.

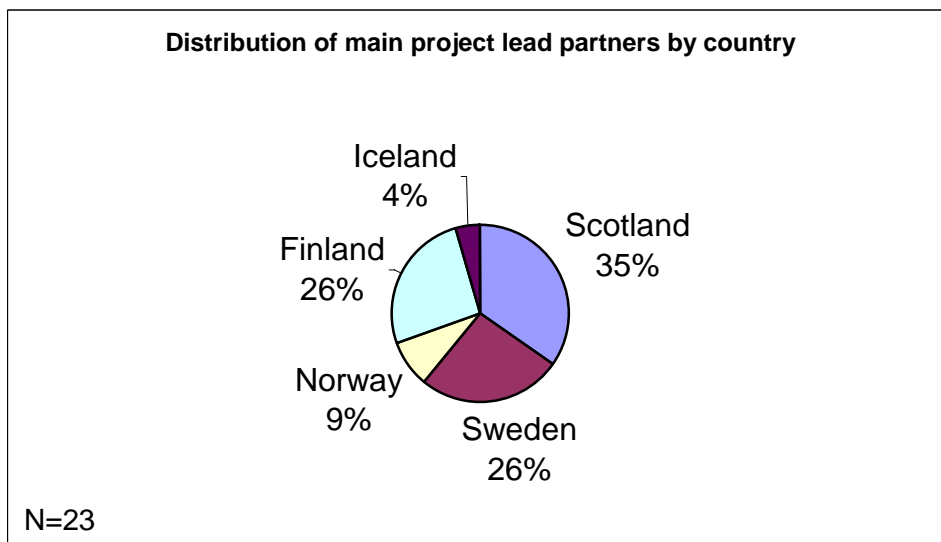
Diagram 4. Main projects by measure.



- 1.1 Transportation, logistics & transport infrastructure
- 1.2 Access to information society
- 2.1 Sustainable use of nature and natural resources
- 2.2 Business innovation and development of human resources
- 3.1 Household related service provision
- 3.2 Public management and spatial planning

As diagram 5 shows, 35% of funded projects have a Scottish Lead Partner, which means that Scotland has been the most active to take on this responsibility with 8 Lead Partner organisations. 52 % of projects have a Finnish or Swedish Lead Partner, both with 6 lead partner organisations respectively. Norway has 2 Lead Partners and Iceland has 1 Lead Partner.

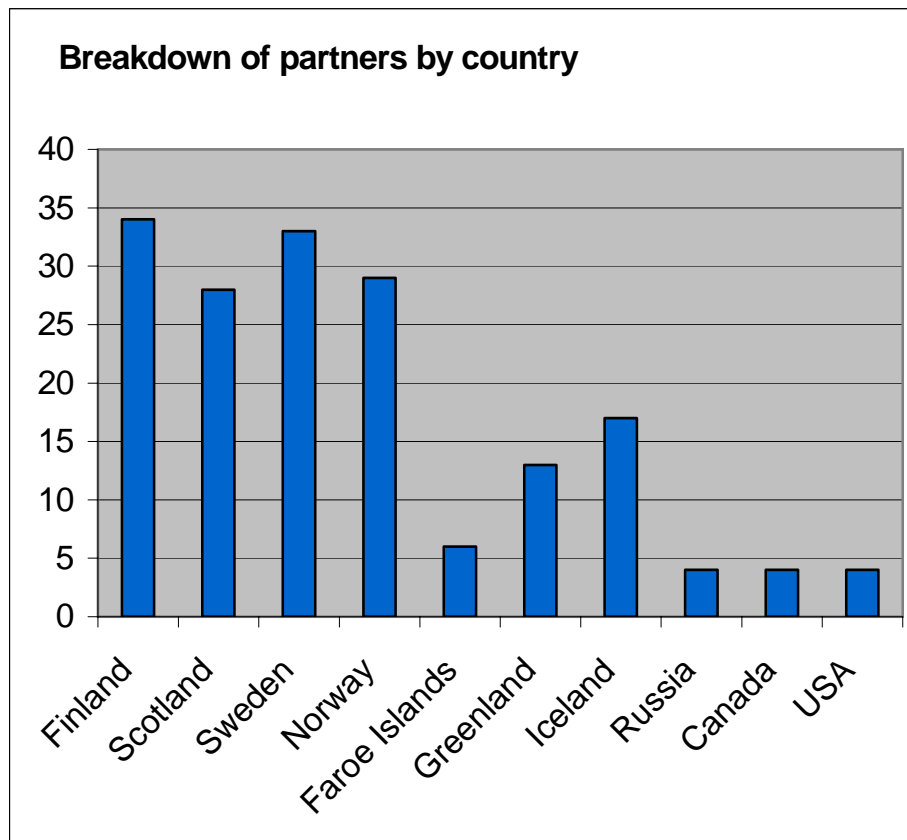
Diagram 5. Distribution of Lead Partners by country.



The minimum requirement for a NPP project is to have three partner organisations from three different countries in the programme area. As diagram 6 shows, all NPP countries are involved in projects. The number of partner organisations is roughly on the same level in the three Member States and Norway (28-34 per country), and somewhat less in the other partner countries/regions. Even Russia, Canada and the USA are represented in some of the projects. Therefore, the Northern Periphery Programme has kept the door open for co-

operation with partners from neighbouring countries on a project level, i.e. with their own financing. In total 172 different organisations have been involved in NPP projects.

Diagram 6. Breakdown of partners by country



From its commencement, the Northern Periphery Programme has encouraged partners from neighbouring and trans-Atlantic countries to participate on a project-by-project basis, with their own financing. Reasonable efforts have been made to involve partners from Northwest Russia on a programme level; additionally, projects have made contacts with USA and Canada. To date, 6 partners (2 partners each from Russia, USA and Canada) from outside the programme area are involved in NPP projects such as Northern Maritime Corridor as a “side by side” in a project called “Safety at Sea” with the Interreg IIIB North Sea Region. SMART and Profile projects have associated or observer partners using their own financing in their projects. These projects find it useful to include partners from outside the programme for a number of reasons, such as the SMART project, which is interested in promoting sustainable tourism in the Arctic region. The Profile project seeks to create a transnational network for female business leaders from companies and organisations in the area of Northern Periphery area and North West Russia.

The following section gives a short description of approved main projects and a presentation of expected results of all projects. The synopsis of project activities describes the projects reporting and starting in 2003. The progress reports covering project activities until 2003 were received from 14 projects in 2003.

Measure 1.1 Transportation, Logistics & Transport Infrastructure

Two projects have been funded under this measure: Roadex II and Northern Maritime Corridor.

Roadex II

This project proposes a 3 year trans-national technical collaboration across the Northern Periphery to develop new methods for interactive and innovative road management of low traffic volume roads. The project builds on the networks created during the successful Article 10 ROADEX project with additional input from local industry involving heavy road haulage. The project will deal directly with road and transport issues raised by the unique combinations of remoteness, climate, ground conditions, low traffic volumes and long distances to markets.

The expected overall result of the project will be a more interactive and innovative road management across the Northern Periphery which will in turn give a more effective road network and transport system for industry and road users.

Northern Maritime Corridor

The Northern Maritime Corridor (NMC) project focuses on intermodality, shifting from road haulage to sea transport, and on maritime safety and risk management strategies.

The expected overall results envisage tailor-made strategies and action plans developed by establishing regional maritime clusters and networks to promote short sea shipping and establishing new services, the implementation and harmonisation of risk management strategies to secure the sustainability and safety in the Northern Maritime Corridor. The NMC project has been involved in a “side by side” project called “Safety at Sea” with the Interreg IIIB North Sea Region and a joint Interreg IIIB task force to develop an “Umbrella operation” to delivery cross Interreg IIIB programmes.

Measure 1.2. Access to Information Society

There are three projects funded under this measure: Community Learning Network (CLN-NPP II), Remote Telematic Solutions for patient diagnoses and training of health care professionals in sparsely populated areas (REMEDY) and Rural business information exchange system

CLN-NPP II

This project aims to further develop the Community Learning Networks in Northern Periphery by establishing a Virtual Learning Community (VLC) across learning networks in partner countries to include all aspects of distance learning and taking into account rural community infrastructures.

The overall expected results include the establishment of VLC, skills enhancement for learning centre staff and users through the transfer of knowledge through the Master Class Lecture Series. By extending support through the joint development and delivery of modules to develop skills to support remote learners, and associated technical support, the project expects to assist in the sustaining of communities through businesses and individuals.

Remedy

The project is aimed at developing the practical use of telemedical support within different disciplines of the health and medical services in sparsely populated and remote areas of the

northern periphery. The purpose is to increase patient security, service quality and to protect patients' legal rights within the area.

The overall expected result is that an IT-based training programme at individual, group and organisational level will be developed, which will serve as a foundation for a European standard certification.

Rural business information exchange system

This project will be split into four overlapping phases, which will seek to address the problems faced by rural entrepreneurs.

Problem such as sourcing, processing and using pertinent and timely business support information to make efficient and effective entrepreneurial decisions will be addressed. In an increasingly digital world, the majority of the information supplied to rural businesses is driven by the supplier's perception of what is needed and rarely founded on the clear analysis of end-user needs. Digital exclusion and poor connection with the 'Knowledge Economy' are identified by many as the barriers to sustainable development of rural businesses.

Measure 2.1. Sustainable use of nature and natural resources

There are seven projects funded under this measure: Domestication of Northern Berries, Sustainable Model for Arctic Regional Tourism (SMART), Developing Rural Women's Entrepreneurship (Rural Business Women), External Timber Cladding in Maritime Conditions, Destination Viking- Saga Lands Promotion of natural stone industry in northern areas and Nature based tourism.

Domestication of Northern Berries

The main objective of Northern Berries is the development and improvement of cultivation techniques for berries which are native to northern periphery areas, particularly cloudberries. The aim is to increase consumption and use of these native berries by improving growing and handling techniques, and by promoting the positive health attributes of the berries. A number of studies are being carried out across the project area to assess the impact of various climatic and soil conditions, in order to assess optimum growing conditions and seed varieties. A central focus of the project is the sustainable use of nature and the natural heritage of the area.

The project's expected results include such outcomes as the establishment of a commercial cloudberry nursery, the testing of suitable machinery for large scale berry production, and research into the positive anti-oxidant properties of berries.

Sustainable Model for Arctic Regional Tourism (SMART)

The project's expected goal is to create resources tools and incentives for SMEs in the rural tourism sector and to adopt sustainable best tourism practices in the northern periphery.

The Sustainable Model for Arctic Regional Tourism will assist the arctic tourism sector (mainly local small- to medium-sized tourism businesses and other local stakeholders) to

develop positive economic, social and environmental benefits from tourism based on the unique cultural and natural environment of the North.

Developing Rural Women's Entrepreneurship (Rural Business Women)

The aim of the project is to focus on the development of female entrepreneurs in rural areas in northern peripheral areas, sustain the local economy and create employment possibilities for rural entrepreneurs in nature and tourism business by promoting female entrepreneurship and providing support for the establishment of local businesses.

The expected results of the project include the creation of international networks for partners and target groups, new products, and marketing opportunities through and the exchange of knowledge, workshops and seminars.

External Timber Cladding in Maritime Conditions

The project will develop new knowledge and share best practices in the design, construction and maintenance of external timber cladding in the north and west of Scotland, western Norway, and the Faroe Islands.

By working together the project partners expect to improve building performance, create opportunities for business development, disseminate new knowledge regarding effective solutions to the effects of wind driven rain on external timber cladding, further establish mechanisms for research collaboration and increase the value addition from sustainable supplies of timber grown in the NPP area.

Destination Viking- Saga Lands

The project aims to revive the tradition of saga and storytelling and make information and events from the sagas and stories visible and accessible to a general public in the cultural landscape of the northern periphery.

The project results are expected to include the making of a number of selected saga stories visible in the landscapes by creating saga routes, with story-tellers, signboards, brochures, guidebooks and GPS-based information systems bringing information on saga events directly to the public on site.

Promotion of natural stone industry in northern areas

The project is aimed at the regional development of operational environments for small and medium size natural stone enterprises through pointing out both environmentally and economically sustainable, good quality natural stone resources through geological exploration.

The overall result of the project is the creation of transferable regional business development and resource management concept to increase local entrepreneurship for transferring best practises, know-how and regional cross-border co-operation throughout the Northern Periphery area.

Nature based tourism

This project seeks to ensure that through the creation of a cross-border arena, common solutions can be found to problems and issues that are faced across the area.

The growth of nature based and eco-tourism presents excellent opportunities for small communities in the northern periphery area, however it has to be managed and developed in the correct manner. The overall aim is to encourage the sustainable development of nature-based tourism and to promote the unique environment of the northern periphery as a tourism destination. A final decision and the commencement of project activities are expected in early 2004.

Measure 2.2. Business Innovation and development of human resources

There are five projects funded under this measure: Structure for Commercialisation of Rural Innovation (SCRI), Project for Female Leaders- PROFILE, Youth Entrepreneur Factory, BITWON and USEVENUE.

Structure for Commercialisation of Rural Innovation (SCRI)

This innovative project aims to exchange skills and experiences between research institutions, academia and the public and private sectors in order to create a more dynamic use of the skills which are used for the sustainable exploitation of innovative ideas.

The project expects to create a pool of relevant skills and opportunities through spin-out activities by creating four new businesses, a sustainable approach to the creation and support of new and developing rural companies.

Project for Female Leaders – PROFILE

The project aims to create a transnational network for female business leaders from companies, organisations and authorities in the area of Northern Periphery and North West Russia.

The project expects to strengthen fifty female leaders from partner countries by promoting new patterns of leadership through a course of specialised studies, better use of transnational networking, handling diversity and training in a collaborative and communicative culture in their own organisations. The project also expects to disseminate quantitative results through seminars and cooperative projects.

Youth entrepreneur factory

The project's aim is to design and pilot a programme of activities to develop entrepreneurial thinking within groups of young people from 16 to 25 years to foster their business attitudes, ideas and skills to create viable and sustainable businesses.

An environment will be created to support young people to reach the stage where they can engage in business or enter a business incubator facility. Networks of young people will support each other and liaise with transnational groups to widen, strengthen and stimulate their business vision. Entrepreneurial training, business simulation games, coaching, mentoring and ideas development will seek to create a confident and purposeful business community of young men and women to nurture the economic future of their regions within the NPP area.

Bio-thermal timber alternative network for innovation and development

The Bitwon innovation network in the NPP area will investigate, develop and commercialise bio-thermal timber.

The project expects to use the principles of sustainable development, for the needs of dwelling, interior decorating and construction, heat-treated, oil-treated and pressed timber products that can be utilised through the modification innovations made by the SME sector's mechanical wood-processing companies for the DIY and construction markets in the EU region. A final decision and the commencement of project activities are expected in early 2004.

USEVENUE

The project aims to improve the social and economic sustainability of partner areas by fully exploiting their potential as year round event venues, hence creating more continual employment in their areas.

To diversify the use of venues by creating a pool of events generated by partners. This will disseminate event ideas that have already strong foundations in areas throughout the NPP but as yet have not been exploited across borders. The project will create and implement strategies to fortify events already running in partner areas, hence ensure their continuing positive impact on the area. A final decision and the commencement of project activities are expected in early 2004.

Measure 3.1. Household related service provision

There is one project funded under this measure. Ecological Waste Treatment in Sparsely-populated areas (ECOWATSA)

Ecological Waste Treatment in Sparsely-populated areas

This project aims to develop ecologically and economically practical solutions in waste treatment in northern conditions by developing a logistic model for waste management.

The project expects to develop a software tool for northern periphery municipalities and other bodies to evaluate which waste treatment solutions suit their needs through pilot projects in solid waste and wastewater treatment.

Measure 3.2. Public Management and Spatial Planning

There are five project funded under this measure: Small Towns Network Northern Potential, Development by branding the trademark, Our life as elderly and Cultural community business

Small Towns Network

This project seeks to encourage the regeneration of networks of towns using a "hands-on" approach. The project's expected results include the use of a "community chest" of seed finance that will create local initiatives and kick-start modest priority projects of a social, economic or environmental nature.

The project expects resultant local interaction and transnational dissemination to be promoted through a Towns Forum and a dedicated website.

Northern Potential

The core objectives of this project are to provide enhanced access to integrated information services for the public in the three northern periphery regions.

The core project deliverables are for the partners are to develop quality knowledge-bases, a common discussion forum and communication tools for three regional public sector partnership websites. In phase two of the project it is anticipated that the partnership can be extended to include other Northern Periphery regions including NW Russia.

Development by branding the trade mark

The project aims by involving four participating municipalities to develop a futuristic orientation and focus the image of their communities to meet the challenges of the future through developing a stronger identity by branding and profiling their municipalities.

Using a “Triple-Helix” approach the project aims to involve communities, companies and research. Branding activities will take place at different levels: local, regional, national and transnational. Through “Benchmarking” at a transnational level, initially within the partner-group and the project intends to share their findings with other municipalities in the northern periphery in an open meeting.

Our life as elderly

The project aims through an interactive and continuous dialogue with the citizens of the respective municipalities to determine the needs, wishes and requirements for the future care of the elderly in the perspective of 10-15 years.

Based on that dialogue and by means of a number of subprojects, Our Life as Elderly aspires to prepare the municipalities and develop concrete tools to meet common challenges in terms of staff recruitment and development, technical support, organisational systems with more elderly and fewer young people to support them. A better care for our elderly aims not only to meet the challenge, but also to enhance the competitive edge of these sparsely populated regions to attract more inward investment. Part of the project also addresses the issue of elderly care in extreme rural areas of our respective communities and in the process of that development also secures reasonable standards in social welfare irrespective of population density.

Cultural community business

The project seeks to apply the principles community business to music and cultural organisations in order to provide a framework for achieving sustainable financial stability.

The results will prove that a new approach by these organisations to the public, private and voluntary sectors will, by harnessing focused economic activity, strengthen their position within the community and regional planners. This will enable them to coordinate and affect long-term regional music and cultural development. A social audit will provide a tool for proving their importance to the community and a handbook will be produced to help other communities with similar problems of funding cultural activities. Closer links with

commerce and strong regional and international networks will provide impetus, a flow of fresh ideas and later become a source of alternative income. Their reliance on annual handouts from local and central authorities will be reduced and the organisations will become part of a thriving cultural heritage which increases the attractiveness of each community and assist in the retention of youth in the Northern periphery area.

Small and medium size enterprise involvement

Many of the strategic themes and priorities defined for the Northern Periphery Programme are efficiently addressed by co-operative efforts combining the resources of both the public and private sector. The private sector is considered a valuable asset to project development in the Northern Periphery Programme.

The programme complement and programme document, as well as the supporting documentation of the Interreg IIIB Northern Periphery Programme state that private sector involvement in projects will be encouraged and prioritised. (See Annex 8 for a complete list of SMEs involved in projects).

In order for an SME to become a partner, there must normally be a real tangible output or experience to be gained, which can justify the commitment required. Projects with concrete, practical tasks and hands-on approaches appear to be more attractive to the private sector, in comparison with more policy-orientated projects. An analysis of NPP projects supports this view, and highlights that involvement in the programme through a public-sector project partner is often a more attractive option than full partner participation.

The involvement of the private sector in the Northern Periphery Programme does not appear to be determined by eligibility for match funding, but is more focused on the type of project being developed. Practical projects with clear outputs appear to have higher rates of SME participation than more policy oriented or educational projects. Projects that are targeted at SMEs involve high rates of private sector participation, however examination of project results demonstrates that SME engagement in the programme is far higher than originally thought, and in actual fact only 1 main project does not include some form of private sector involvement.

3.3 Indicators

The indicators are based on the aims and objectives of the programme and are used to follow-up and monitor the implementation of the programme. Follow-up and monitoring therefore forms the basis for evaluating the fulfilment of the programme's objectives.

Two types of indicators are used to assess the results of the programme and the individual projects. A distinction is made between *project indicators*, which are related to activity and immediate result and will be reported in the reports from the projects, and *programme indicators*, which are related to the horizontal and overall impact of the programme.

Listed below are the programme indicators. Project indicators can be seen in Annexes 4-6 (Priority 1 Communications, Priority 2 Strengthen sustainable economic development and Priority 3 Community development).

Table 5: Horizontal indicators to date:

| Indicator | Description | No of projects |
|---------------------|---|-----------------------|
| Equal Opportunities | Projects directly and mainly contributing to equal opportunities | 11 |
| | Projects indirectly contributing to equal opportunities | 9 |
| | Projects neutral to equal opportunities | 3 |
| Environment | Directly and mainly improving the environment | 10 |
| | Indirectly contributing to improving the environment | 10 |
| | Environment Neutral | 3 |
| Transnationality | Degree of transnationality, measured by the number of countries involved in the project | |
| | 3 countries | 8 |
| | 4 countries | 8 |
| | 5 or more countries | 7 |

Table 6: Programme indicators to date:

| | Category | Finland | Sweden | UK Scotland | Faroe Islands | Greenland | Iceland | Norway | North-West Russia | USA | Canada |
|--|--------------------|---------|--------|----------------|------------------|-----------|---------|--------|----------------------|-----|--------|
| No. of partners involved per country | | 34 | 33 | 28 | 6 | 13 | 17 | 29 | 4 | 4 | 4 |
| No. of partners involved per region | 1 | 10 | 6 | 28 | 6 | 13 | 17 | 5 | 4 | 4 | 4 |
| | 2 | 3 | 14 | | | | | 5 | | | |
| | 3 | 3 | 5 | | | | | 12 | | | |
| | 4 | 1 | 6 | | | | | 2 | | | |
| | 5 | 3 | 1 | | | | | 5 | | | |
| | 6 | 10 | 1 | | | | | | | | |
| | 7 | 4 | | | | | | | | | |
| No. of partners involved per category | Public/Central | 4 | 2 | 7 | 4 | 9 | 5 | 8 | 0 | 0 | 0 |
| | Public/Regional | 9 | 14 | 9 | 2 | 2 | 4 | 12 | 4 | 4 | 4 |
| | Public/Local | 4 | 4 | 5 | 0 | 0 | 4 | 0 | 0 | 0 | 0 |
| | Public-like | 3 | 10 | 3 | 0 | 0 | 3 | 3 | 0 | 0 | 0 |
| | Private Eligible | 0 | 0 | 4 | 0 | 2 | 1 | 6 | 0 | 0 | 0 |
| | Private Ineligible | 14 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total no. of partners involved | | 34 | 33 | 28 | 6 | 13 | 17 | 29 | 4 | 4 | 4 |

Legend:

Finland:

- 1 Lapland
- 2 Northern Ostrobothnia
- 3 Central Finland
- 4 North Carelia
- 5 Kainuu
- 6 North- South Savo

Sweden:

- 1 Norrbotten
- 2 Västerbotten
- 3 Jämtland
- 4 Västernorrland
- 5 Gävle
- 6 Rest of Sweden
- 7 Other

Norway:

- 1 Nord-Trøndelag
- 2 Nordland
- 3 Troms
- 4 Finnmark
- 5 Rest of Norway

UK / Scotland:

- 1 Highlands & Islands only

The Programme Complement sets specific targets for the programme, as indicated in table 7. The 2003 reporting period ended on the 31st December 2003, by which time a total of 23 main projects had been funded (including three projects in the final decision process). Analysis of the indicators from these projects shows that 22 involve SMEs and 8 involve youth as one of their target groups. It is also worth noting that during the reporting period the average grant for a main project was 577 000 EUR compared to of 300 000 EUR in 2002. The reason for the increase in grant size was mainly due to the larger scale of projects approved in 2003.

At its November 2003 meeting, the PMC decided that in the first application round of 2004 an intervention rate of up to 75 % could be used in measure 3.1. The PMC also decided that total eligible project costs up to 2 MEUR could be approved in exceptional cases and in consultation with the JPS.

Table 7 Quantified activity goals on programme level

| | Target | Accumulative results to 2003 |
|--------------------------------------|---------------|-------------------------------------|
| Main projects: | 114 | 23 |
| Priority 1 projects | 28 | 5 |
| Priority 2 projects | 50 | 12 |
| Priority 3 projects | 36 | 6 |
| Micro projects | 15 | 2 |
| Preparatory projects | 15 | 27 |
| Indigenous people projects | 11 | - |
| Young people involvement in projects | 23 | 8 |
| SME-partner involvement in projects | 23 | 22 |

The average size of main projects seems to be double what was expected when the activity goals were set before the start of the programme. The final result will probably be a total number of main projects approximately half of the predicted number. As explained above, the demand for preparatory projects has been higher than expected. The PMC has therefore allocated more funding to the budget for preparatory projects. This is expected to cover more than 30 preparatory projects. The indicators also show that progress towards programme targets for indigenous people projects and young people projects has been slower than expected and analysis of prospective applications suggests that this is a continuing trend.

Project indicators

The project indicators (Annexes 5,6,7) reflect the expected results of the projects, according to the information presented in the project applications. To date no main projects have been concluded. It is therefore too early to draw any conclusions on the project indicators. However, there is often a tendency for projects to be optimistic about the expected results of the project in their applications. Further detail on project indicators can be found in Annexes 5 and 6 for Communications and Sustainable Economic Development (respectively). The number of sub-projects concerning information society (25) is a fairly high figure and the same is also true for the number of new enterprises (97) in Annex 6.

The indicators seem to function satisfactorily as tools to measure the results of the projects. Nevertheless, as stated by the mid term evaluators, there is probably a need to redefine the indicators, in order to ensure the quality of the system.

4 Financial implementation of the assistance

The Interreg IIIB NPP was approved by the European Commission on 14th December 2001 and the first projects funded by the programme started in the middle of 2002. However, the number of applications submitted in the three first application rounds was somewhat fewer than expected. At the end of 2003, 46.1% of ERDF programme funding was committed to projects through final decisions. The use of the funding is so far slightly behind the annual budgets in funding tables for the programme. This has caused some concern over the risk of automatic de-commitment of funding due to the low payment rate. In 2003, payments met the N+2 automatic de-commitment target, but by a small margin. The low payment rate and the methods used to fulfil the N+2 targets are discussed in further detail in Chapter 5.

The programme will receive additional funding through indexation for the period 2004-2006 and presently it appears as if all the programme funds will be used within the programming period.

The Paying Authority has made two claims to the European Commission during 2003. The last payment was received at the beginning of 2004 and no payment delays were experienced. The Paying Authority has also been able to make payments promptly, following claim checks. Annex 4 provides a breakdown of both payments to the programme and payments made from the programme. It was not until the second payment round in 2003 that payments reached what can be considered as a “normal” payment level, counted in numbers of payments for the NPP. An extra payment round late in the year was launched to meet the N+2 payment level. In Annex 1, all the funding made through the programme so far is presented. The outcome is analysed and commented in chapter 3 above.

The co-financing systems differ between the participating nations. To date, the applicants seem to have had no major problems in raising public co-financing, although during the second half of 2003 a number of minor problems have emerged for example in Sweden the regional authorities declared a shortage of funding during Autumn 2003 and the same situation arose in Scotland.

5 Implementation and monitoring

The programme is implemented through a structure consisting of a Programme Monitoring Committee (PMC), which also acts as Steering Committee (SC). The PMC and SC have a common secretariat situated in Copenhagen, Managing and Paying Authorities linked to the County Administration of Västerbotten in Umeå Sweden, and a Programme Management Group (PMG) consisting of representatives of the national authorities responsible for the implementation the JPS and the MA. The PMG supports and assists the Managing and Paying Authority and the Joint Programme Secretariat in the implementation of the programme. It also facilitates the information flow within the programme network, and between the programme and other networks outside the NPP. No significant changes were made to the organisational structure during 2003.

5.1 Programme Monitoring Committee

A Programme Monitoring Committee (PMC) was established at the constituting meeting, following the approval of the programme in December 2001 and in accordance with article 35 of Council Regulation (EC) No 1260/1999 and section 5.3 of the approved Programme Document for the Interreg III B Northern Periphery Programme.

Rules of procedure (RoP) for the PMC were drafted in December 2001 and approved on 17th January 2002. According to the RoP, the Programme Monitoring Committee shall have a limited number of representatives from both national and regional level from Sweden, Finland, Scotland (UK), Norway, Greenland, Faroe Islands and Iceland. Each country/region appoints its' members respectively and their personal substitutes.

As stated above, the PMC also acts as a Steering Committee, selecting projects to be financed by programme. The Rules of Procedure for the PMC were approved at its first meeting on 17th January 2002, and they have subsequently been amended to take into account the full participation of Iceland.

The PMC is composed of:

- ◆ Three representatives from each Member State
- ◆ Three representatives from Norway
- ◆ 1-2 representatives each from the Faroe Islands, Greenland and Iceland.

The following organisations are represented:

| | Sweden | Finland | Scotland/UK | Norway | Faroe Is. | Greenland | Iceland |
|--|--------|---------|-------------|--------|-----------|-----------|---------|
| Central and regional state administration | 2 | 1 | 1 | 1 | 1 | 1 | 1 |
| Local/Regional representation | 1 | 2 | 2 | 1 | 1 | 1 | 1 |

Trade and industry organisations and economic and social partners are represented in the Regional Advisory Groups (see below).

One representative of the NORA secretariat has permanent observer status in the PMC. The European Commission and, as appropriate, the European Investment Bank are represented in an advisory capacity. When the PMC is acting as the Steering Committee, the European Commission and the EIB have the role of observer, rather than advisor. Representatives of Västerbotten CA (MA/PA) and the Joint Programme Secretariat take part in the PMC meetings.

Chairship of the PMC rotates between the representatives of Member States national authorities responsible for the administration of Interreg IIIB. The chair is appointed for one year at a time by the respective Member State and in 2003, the Chairperson was from Finland. In all meetings of the PMC during 2003, attendance has been near perfect with quorum in each meeting. There were no substantial changes in the PMC membership during 2003.

The Programme Monitoring Committee met twice in 2003. The first meeting was held in Savonlinna, Finland on 12-13 June 2003, and the second meeting was held in Copenhagen, Denmark on 27-28 November 2003.

At its first meeting, the PMC approved the amended Rules of Procedure for the Programme Monitoring Committee, delegated responsibility for the Environmental ex-ante report to the PMG, approved an extension of Micro and Preparatory project funding by 200,000 EUR to a total of 400,000 EUR and approved the 2002 NPP Annual Report. It also agreed that any proposals for amending the Programme Document (CIP), requiring decision-making by the European Commission, should be submitted to the European Commission by the end of March 2004. Another important development was the start to move towards a more flexible approach to the “application call system” with end dates and set decision dates which was approved in principle.

The PMC acting as a Steering Committee discussed applications submitted to the fourth round. Seven applications were received and passed the eligibility check for further assessment. The PMC/SC decided as follows:

- 4 projects were accepted with conditions
- 3 projects were recommended to resubmit their applications

At its second meeting, the PMC approved a JPS work plan for 2004 and an Environmental ex-ante report, and agreed that the report should be attached to the Mid Term Evaluation with the new title “Environmental evaluation report”. The PMC decided that an intervention rate of up to 75 % could be used in measure 3.1 in the next decision round (7th March 2004 end date) to encourage more projects in this measure. For this round total eligible project costs of up to 2 MEUR could be approved in exceptional cases, and in consultation with the JPS. It was also decided that the Norwegian partenariat would be held on the 5th-7th May 2004, and that an Information Action Plan should be drawn up annually by the JPS, and presented for information to the PMC. The PMC approved the NPP Mid Term Evaluation report and agreed that the Comments to the MTE Action Plan (Annex 9) could serve as a starting point for an internal development process and as a checklist for future meetings.

The PMC decided to delegate to the PMG responsibility for making a proposal on how to allocate indexation money to *priorities*, and to take the decision on the proposal by written procedure, not to make any (other) reallocation between *priorities* in the financial table and to send the amended CIP / financial table to the European Commission by the 31st March 2004. The PMC decided that the allocation of indexation money to *measures*, as well as the possible reallocation between *measures* within Priority 3 should be decided at the next PMC meeting, based on the distribution between measures of the applications for the March 7th 2004 end date. It was agreed to change the “call application” system to a system where project applications are invited all year and to use “End dates” and “Decision dates” starting in 2004. Project applications received before an “End date” would be included and assessed for the following “Decision date”.

The PMC acting as a Steering Committee discussed applications submitted to the fifth round. Eight applications were received and passed the eligibility check for further assessment. The PMC/SC decided as follows:

- 3 project were accepted without conditions
- 2 projects were accepted with conditions
- 3 projects were recommended to resubmit their applications

5.2 Joint Programme Secretariat

The Faroese Representation in Denmark, Copenhagen, hosts the Joint Programme Secretariat. The secretariat has an international staff, consisting of three persons. In 2003 the JPS moved with their host organisation to new premises in Christianhavn into "Den Nordatlantiske Bryggen". During 2003, there were a number of staff changes, which included the appointment of a new Head of Secretariat, Programme Manager and Project Manager. The Programme Management Group recruited a team of experts with strong backgrounds and numerous years of experience in European transnational programming and project management. The structural changes in the Joint Programme Secretariat have resulted in a flatter organisation, which has a more proactive project portfolio and service approach to programme management and delivery. All members of the JPS are responsible for managing assigned projects from the initial pre-assessment stage and subsequently through the complete project management cycle. Each member of the JPS is responsible for specific tasks in the implementation and management of the NPP. In June 2003, a Task force on administration was created and included the Managing Authority and the JPS. Through an intensive process designed to evaluate the administrative tasks of the JPS, Paying Authority, Managing Authority and the structure of the NPP administration, numerous initiatives have been taken to strengthen the NPP administration.

During 2003, the JPS hosted several project meetings, in order to assist project developers in finalising their project plans. Several of these meetings took place in Copenhagen or during partenariats and seminars throughout the programme area. The staff at the JPS had several meetings during 2003 with members of other Interreg IIIB programmes; namely, the North Sea and Baltic Sea programmes, and met frequently in Brussels with INTERACT and other Interreg IIIB colleagues. The Head of the Secretariat has also been engaged with a Task Force that is investigating the possibility of developing a large project called "Safety at Sea" that will cover several Interreg IIIB areas.

5.3 Regional Contact Points

Due to the geographical size of the programme area, six Regional Contact Points (RCPs) have been established to assist the Joint Programme Secretariat in its information and advisory tasks. The RCPs are located in Inverness/Scotland, Umeå/Sweden, Rovaniemi/Finland, Torshavn/Faroe Islands and Greenland, Bodø/Norway and Sauðárkrókur/Iceland. Regional Contact Points carry out a crucial role as the local face of the programme in their respective areas. This network works in close co-operation with the Joint Programme Secretariat and is funded by the Technical Assistance budget.

During the Nairn partenariat in November 2003, a meeting was held between the staff of the secretariat and the RCPs from Iceland, Scotland, Sweden, Finland and NORA. Recommendations of the Mid-Term Evaluation were discussed at this meeting, and the development of a future information action plan. The meeting also focused on the co-ordination of promotional activities and administrative matters, as well as the thematic approach to be taken at the forth-coming Norwegian partenariat in May 2004.

In 2003, the Finnish RCP has promoted the programme widely and work has focused on the development of strategic projects and partnerships. Most of the information actions carried out by the Finnish RCP have been organised in cooperation with Finnish RAG members and their host organisations. A number of these are highlighted below:

| | | |
|----------------|--------------------------------|--|
| August 2003 | Kokkola | Promotion of NPP projects |
| September 2003 | Kurtakko | Northern Periphery information action. |
| October 2003 | Ylivieska, Oulu and Rovaniemi: | EU – Programme Road Show in co-operation with European North Lapland- Oulu EU office |

The Finnish RCP hosted a meeting with RAG chairs and RCPs in Levi, Finland in April 2003. This meeting focused on the identification and development of key project themes for the programme. Recommendations were also made on how to increase the effectiveness of the programme's administration. This event has resulted in a number of follow-up activities for the Finnish RCP, which has since been the focus of the RCP's work.

During 2003, the Swedish Regional Contact Point participated in four information activities, which were arranged by different organisations in the area. These information activities have been focussed on the development of more concrete project ideas rather than on general programme information. On two occasions in 2003, information has been given to Russian organisations from Karelia and Murmansk and information distributed to Russia through the Russian sub-committee for Interreg III B Baltic Sea and the Association of Local Authorities in Karelia. In February the Joint Programme Secretariat and the Swedish RCP organised a project leader seminar in Umeå. The seminar was for lead partners and partners from Sweden and Norway.

Co-operation with the other Interreg III B programmes, such as the Baltic Sea and North Sea has continued, and in Sweden a joint Interreg newsletter is distributed 4 times a year. During 2003, a joint meeting for Swedish lead partners/partners from Interreg programmes in Sweden was held using the theme of "transport". These information activities will continue and during 2004. The RCP expects to organise a similar meeting under the theme "tourism" in 2004. The newsletters will also be more focussed on individual projects during 2004.

In September, the Swedish government arranged a conference of the Scottish-Nordic co-operation, which was attended by the Swedish RCP and RAG chair. In November, the sub-committee for Interreg III B Baltic Sea Programme arranged a meeting with all three sub-committees for Interreg III B in Sweden. The main purpose of this meeting was to offer the delegates a possibility to share experiences with each other and to be informed of actions in other programmes. The interest in the Northern Periphery Programme has increased during 2003, and there have been more potential project leaders with concrete ideas than previously.

The Scottish RCP has held regular information events throughout the programme area in Scotland and the RCP is available to speak at project meetings to give updates on the programme and answer technical questions. As a local "face" of the programme, the RCP is the first point of contact for enquiries on applications/claims and assists applicants and project partners through the process. Information on the programme is available from the Highlands and Islands Enterprise website <http://www.hie.co.uk/international-affairs.html>.

An annual Scottish project partners meeting was organised in Scotland. The partner meeting provided a good opportunity for networking and benchmarking projects. The JPS and paying authority participated in the Scottish partners meeting.

In 2003, the Scottish RCP also organised a partenariat in Nairn focussing on key themes, which had been discussed by the RAG chairs in Levi, Finland. The partenariat resulted in eight preparatory projects being developed with a view to becoming full applications in 2004.

The Norwegian RCP activities in 2003 have included advertising and promoting the NPP, and answering e-mails and phone calls from potential applicants. The RCP has organised several meetings with applicants and participated in three regional events presenting the NPP to over 80 participants. Due to temporary staff changes in the secretariat last autumn, the RCP was not able to organise for a Norwegian group to participate in the Nairn partenariat. The Norwegian RCP has facilitated two RAG meetings and the RCP has also participated in two PMC meetings.

The Institute of Regional Development in Iceland serves as the Icelandic Regional Contact Point (RCP). During 2003, the RCP has presented the programme at five information meetings, given newspaper interviews and tried to ensure the programme is as visible as possible. The website for the Institute of Regional Development also contains a sub site for the NPP programme:

<http://www.byggdastofnun.is/ErlentSamstarf/NPP>.

According to the Icelandic RCP, the most important and the most time consuming task is answering emails and phone calls from people with enquiries about the programme and its potential, as well as assisting potential project developers. The RCP has also helped to find suitable Icelandic partners for projects ideas from RCPs in other NPP areas. Another important task of the RCP has been to assist the RAG members in their tasks of evaluating project applications.

The tasks of the NORA Regional Contact Point have been central for the North Atlantic region, because the area is new to the programme. In the first part of the programme period a great deal of the tasks have been focused on delivering extensive information about the programme to all levels, including authorities, partners, applicants, politicians and many others, as well as making notes, answering questions and marketing the programme. As a consequence, during 2003 there has been greater interest from potential partners in the area, and more resources have therefore been put into project development and finding the right partners besides providing general information. This is facilitated among others through the extensive NORA-networks. The NORA cooperation also has information about the programme on its website www.nora.fo as well as in announcements and on government web pages.

The RCPs have also served the RAG in preparing assessments, debates, notes, and carrying out other secretarial functions. The search for potential partners has been almost a daily task as well as regular discussions with potential partners on project development.

5.4 Regional Advisory Groups

In April 2003, Regional Advisory Group Chairs met in Levi, Finland to discuss possible strategic themes for project development. During their discussion the RAG chairs identified 9 key themes that were agreed to be priorities for action across the programme area. The meeting was then concluded by assigning specific themes to each country to be developed. These were allocated as follows:

1. Youth issues (Iceland)
2. SME –networking/involvement (Scotland)
3. Natural parks/Natura 2000 sites (Iceland/Finland)
4. ICT –infrastructure, best practice and transfer of knowledge & information (Finland)
5. Natural resources /stones and minerals (NORA)
6. Delivery of Rural services (Scotland)
7. Spatial planning (Sweden)
8. Political networking (Norway)

These eight key themes for project development were presented at the June PMC meeting, and later in 2003 became the basis for the Nairn Partenariat, which was held in November 2003. It is proposed that remaining themes are dealt with at partenariats in Norway and Sweden during 2004.

In each participating Member State, Norway and the North Atlantic areas as a whole, a Regional Advisory Group (RAG) has been set up to assist the PMC in preparing the basis for decisions on individual projects. The RAG members come from different fields of expertise representing main partner organisations, including environmental authorities in the relevant countries, and non-governmental organisations, if appropriate.

Each RAG has convened three times during the reporting period to assess the suitability and priority of all project applications using the agreed selection criteria. Recommendations have been made on whether or not the request for funding should be supported. The RAGs have also promoted and taken part in facilitating the creation of new transnational projects. Activities of RAGs are funded by the Non-Member States.

5.5 Programme Management Group

A Programme Management Group (PMG) consisting of representatives of the national authorities responsible for the implementation of the programme has been established.

The PMG supports and assists the Managing and Paying Authority and the Joint Programme Secretariat to carry out their tasks; especially, those relating to the administration of ERDF funds, and to facilitate networks and the flow of information between the programme partners.

During the 2003 reporting period the PMG convened four times: 28 February, 14 May, 11 June and 15-16 September. Some of the key issues that were discussed and decided on were the Mid term evaluation, JPS staffing and relocation matters, programme administration, deciding on programme principles, definitions and rules, and the technical assistance budget.

5.6 Managing Authority

The Managing Authority (MA) operates in close cooperation with the Paying Authority and the Joint Programme Secretariat in the implementation of the programme. Even although the distance between the locations of the MA/PA and the secretariat is more than 1000 km, meetings are held frequently and with the support of ICT contact can be maintained at a low cost.

Reports and prognoses

During the year the MA has submitted the reports and prognoses required by the European Commission. The most important of which is probably the annual report. The European Commission confirmed receipt of the 2002 Annual Report, which was submitted in June 2003 and declared that the report fulfilled the criteria stipulated in the General Regulation. In February 2003 a revised version of the Programme Complement was submitted to the European Commission, who confirmed acceptance of it. The changes in the Programme Complement were principally caused by Iceland fully joining the programme. In December the mid term evaluation was submitted to the European Commission, in conjunction with a separate environmental evaluation report.

Experiences from project implementation

A simple analysis carried out on the activity reports from 12 main projects that started early in the programme period, provides a positive picture of the implementation process so far. Implementation of the projects seems to be successful in most cases.

A common problem was caused by delays at the start of projects due to the time required to recruit personnel. Many projects calculate 2-3 months delay at the start, but they still aim to adhere to the specified work plans. The projects have also been successful in establishing transnational partnerships and evidence suggests that the transnational partnerships are developing well.

The financial reporting system used by the programme has received some criticism for being too complex. This caused the Paying Authority to organise a “task force” with participants from the PMC and experienced project managers, in order to try to “streamline” the reporting procedures within the framework of the regulations. More information on this issue is provided in the Paying Authority’s chapter below.

The reports that were analysed represented main projects that had used a maximum of 35% of the committed funding, with most of them having used 5-15%. At this stage, it is too early to draw conclusions on projects outputs, and how successful they might be in reaching the main goals for the projects. On average, the quality of the reports has been acceptable. However, the weakest elements of reporting were on progress towards horizontal outputs, with vague reporting on equal opportunities, sustainable development and transnationality.

Experience so far indicates that there is no reason to make any major changes to the implementation structure of the programme. This is confirmed by the findings of the mid term evaluators.

Sample checks

Sample checks will be performed on at least 5% of eligible costs in operations funded by the programme. The checks on projects in the EU-regions will be conducted by a contractor. After a public procurement process the contractor Öhrlings PricewaterhouseCoopers was appointed.

The sample checks will start directly after arrangements with the contractor are completed. In the first “round” two or three projects will be drawn for checks by the paying authority. The choice of projects will be based on a risk/importance analysis and the checks will be carried out by the same contractor in all the EU-regions. Parallel to the EU-checks corresponding checks will be made on partners in the same project in the non EU-member states. These checks will be organised by each state.

5.7 Paying Authority

The Paying Authority has, in cooperation with the Managing Authority and the Joint Programme Secretariat, continued its effort to secure effectiveness and quality in the control system for payments.

The main challenge for the Paying Authority in 2003 has been to fulfil the N+2 requirement. This goal was met with a narrow margin. In order to avoid the de-commitment of funds, the N+2 targets will remain the main focus for 2004. An effective payment system is also crucial, so that projects can maintain a reasonable cash flow situation.

A key factor in a secure and efficient payment process is that the material received from the projects is of a high quality. In order to achieve this, projects need to be educated on how to financially administer their project. The Paying Authority has therefore participated in several Lead Partner and Partner Seminars and has extended its involvement in the education of new and ongoing projects. Educational efforts will be continued and increased during 2004.

In December 2002, the PMC expressed concern over the reporting requirements of the programme, especially concerning claims for payment, and what effect these requirements might have on the dynamic of the programme. The PMC therefore stated that a working group led by the Paying Authority should be set up to work on the streamlining of the grant payments and reporting procedures. The working group consisted of representatives from the Joint Programme Secretariat, Managing Authority, Programme Monitoring Committee and project leaders. The results of the group work were, among others, a fast track payment process for new projects and new auditing requirements

The Paying Authority has also participated in a discussion network for all Swedish Paying Authorities, the so-called ERFA-exchange.

As shown in the tables for payments (Annexes 4 and 4 B), ERDF-payments reached a total of 1,8 MEUR during the year. Payments of ERDF-equivalent funding totalled 0,3 MEuro.

In 2003, the programme has received a payment from the European Commission of 530 764 Euro. Most of the year's payments were carried out in November and December, and will therefore be refunded by the European Commission in 2004.

5.8 Mid Term Evaluation

According to the General Regulation 1260/1999 Article 42 a mid-term evaluation was carried out on the programme and sent to the European Commission before the end of year 2003. The process for the execution of the Mid Term Evaluation was started by the PMC, which at its meeting in June 2002. The PMC delegated the PMG to acting as a steering group for the MTE process. Terms of reference for the MTE process were developed and the tendering process for searching a contractor was started late in 2002. The first call for tenders gave no bids but in a second call six bids were received. Based on those bids the Nordland Research Institute, Bodø, Norway was appointed as executor of the MTE.

The evaluation was carried out during the period April to September 2003. The evaluator was approved by the PMC at its meeting on 27th November and sent in to the European Commission before the end of 2003.

The results of the evaluation were encouraging. The evaluators summarised their views on the programme with the question *Is the programme underway to achieving its main goals?* And answers *this evaluation points with positive answers.*

The evaluation was carried out in an early stage of the implementation of the programme. No main projects were finished; none had even reached their mid-term. Therefore the evaluation was focused on the implementation process rather than collecting experiences from projects. The Mid term evaluator selected four projects as case- studies. According to the Mid term evaluators, the programme appears to have developed well on the strategic level; however, the evaluators expressed concern regarding the relatively low number of project applications and that some priorities have fallen behind. The Mid term evaluators did not see that the relatively low number of projects affecting the selection process in a way that “project quality” had suffered. On project level, mid term evaluators stressed the aspect of learning through process participation. A focus on the learning process is needed to increase project development competence in the programme area.

The project developers were a mixture of seasoned developers and newcomers. It needs a conscious strategy to incorporate such a learning process in the partnerships. The evaluators directed some criticism at the Joint Programme Secretariat (JPS) for emphasising its role as a controller. A reason for this might have been that the secretariat has had too limited resources. However, the Joint Programme Secretariat seemed currently to be developing a strategy towards being more development minded and better able to cope with future challenges. The potential danger of role conflicts because of the double roles for some of the RCP-members, and in some cases also RAG-members, played within the programme also is pointed at by the evaluators.

The revising and strengthening of the implementation in the remaining programme period should, in the view of the evaluators, take place on several levels in the programme organisation. On a strategic level, the evaluators gave the following 16 recommendations:

- 1) *The chosen strategies and priorities should be adhered to in the remaining programme period.*

- 2) *Adhering to the chosen programme profile requires an increased emphasis on marketing the programme.*
- 3) *The Community Development priority should be given special attention in such an effort.*
- 4) *The apparent move towards more 'ambitious' projects and partnerships as a programme orientation that should be pursued.*
- 5) *The evaluators are of the opinion, however, that this should be part of a two-pronged approach to the future implementation of the programme. Project quantity is still an issue that should be kept in mind. This is of special relevance to the Community Development priority.*
- 6) *The programme has room for improvement when it comes to strengthening private sector participation in the programme. An increased focus on private sector involvement would likely strengthen the programmes ability to foster a 'Triple Helix' approach to partnership formation.*
- 7) *The role of the Joint Secretariat and the Regional Contact Points needs to become more pro-active.*
- 8) *RCP's needs to become more pro-active towards institutions representing project developer and implementation competence.*
- 9) *The Joint Secretariat should become more active in following up projects in progress, and to focus even more on being a service apparatus, rather than a controlling apparatus. We do, however, acknowledge that there recently has been a movement towards being a more active part-taker.*
- 10) *It is important to improve the coordination between the secretariat and the RCP's as well as the internal communication between the RCP's*
- 11) *It is important that as many participants in a partnership as possible are involved in the initiation phase of a project. This is of especial importance to secure ownership to goals concerning transnational learning.*
- 12) *In partnerships the technical competence of implementing and organising projects vary. It's therefore of importance that those partners representing the experience of these skills transfers this knowledge to the "newcomers". This is a method for securing development competence for the future.*
- 13) *Resources at the partnership/project level need to be directed at this process of learning.*
- 14) *Methods for comparative learning processes at the transnational level should be outlined early on in the projects.*
- 15) *It is important to recruit partners with competence and experience in both networking and project-methodology as well as project implementation. It will therefore be vital to involve and activate regional development and scientific institutions better in the programme.*

16) *In addition to this, one might make use of institutions already involved in business development programmes, which has as goal to stimulate the R&D dimension.*

The JPS and the MA together with the chair of the steering group for the MTE has produced a paper with comments to the recommendations from the evaluators (8). Many of the recommendations have already been addressed. The PMC approved the MTE Action Plan see Annex 9. The paper will serve as a starting point for new processes, future plans and a checklist for future meetings with the PMC.

5.9 Observations in managing the assistance

The Interreg IIIB NPP was approved by the European Commission on 14th December 2001. The first projects funded through the programme started in the middle of the year 2002. The numbers of applications submitted in the three first application rounds were somewhat fewer than expected. At the end of 2003, 52% of the funding in the programme was committed to projects through final decisions.

N+2

The late and slow start of the programme has had effects on the payment process. Early in 2003, the problem of reaching the N+2 target was highlighted at the PMC meeting in June. An action plan was launched with the aim to reach the N+2 target for 2003 and develop the routines for claims and payments to meet the demands for coming years. The programme has also put much effort in marketing the programme to increase the number of applications. A study just made by the JPS indicates that the number of applications during 2004 will increase substantially. The first round of applications resulted in 8 applications and the secretariat identifies another 16 potential applicants during 2004. A warning was received from the European Commission regarding the risk of automatic de-commitment of funding due to the low payment level. Actions were taken to address the issue and the final result was that payments for 2003 reached the N+2 level and the programme avoided the loss off funding.

As a result of the actions taken, the payments for 2003 slightly exceeded the N+2 limit. Thus, the programme avoided automatic de-commitment.

The payment situation for year 2004 is alarming. Actions are already taken to ensure that as much of the funding as possible is paid by the end of the year. There are enough activities to date for funding through the programme to move the payments up to the N+2 level but the margin is very narrow and just a small deviation can jeopardize the result. The MA's and PA's are forecast is still that the N+2 target level will be reached.

Table 8 Payment forecast for Interreg IIIB NPP. Payments by year

| Year | 2002 | 2003 | 2004 | 2005 | 2006 |
|-------------------|------|------|------|------|------|
| Meuro | 0,2* | 1,6* | 3,6 | 4,0 | 5,0 |
| *) Actual outcome | | | | | |

Most projects are funded for more than one year and often for three years, which made it necessary to be pro-active at the start of new projects. It is desirable that at least 2/3 of the programmes funding is committed in final decisions by the end of 2004.

Other problems

It became obvious rather soon after the start of the programme that the administrative system for the programme needed to be revised, especially in the area of grant payments and reporting procedures. The reporting system was considered too complex with only partly automated spreadsheets, excessive auditing and risk of delays in payments. To handle the situation a “task group” was set up by the PMC and MA with representatives for the JPS, the PMC, and the PA and project leaders. The PA led the “task group”. After a couple of telephone conferences, it was agreed to make simplifications of the routines that will allow speedier payments, lower the audit costs and provide more clear rules on the EURO conversion.

For everybody involved in the implementation of the programme the ways of handling the situation, as well as the results of the work in the task group, were very positive experiences. The group will remain as an *e-mail network* that can be consulted by the PA and JPS in payment related issues.

6 Use of Technical Assistance

The eligible budget for the technical assistance is 2 978 000 EUR. The budget is divided into programme management costs (85 %) and other costs (15%). According to the European Commission’s decision the management costs can amount to 5,96 percent of the total ERDF contribution to the programme. Included in the budget are Non-Member State contributions to the operation of the NPP. The largest share of the programme management costs are the costs for the Joint Programme Secretariat, which amount to 65 %. These costs are personnel costs including salaries, office costs, travelling costs, equipment, meeting costs and auditing of the TA budget. Managing and Paying Authority costs represent 21 % and Regional Contact Points 12 % of programme management costs.

Other costs include evaluation, installation of computerised systems for monitoring, management and evaluation as well as costs for information actions. Information actions represented 62 % of Other costs, 128 318 EUR, and evaluations represented 25 % of Other costs, 51 502 EUR.

The following table 9 presents the use of technical assistance in 2001-2003.

Table 9. Technical assistance costs 2002-2003

| Priority 4. Technical assistance budget - Eligible expenditure | | | | | | | | | |
|---|------------------------------|-----------------------------|-------------------------|-----------------------------|-------------------------|-----------------------------|-------------------------|---|-----------------------------------|
| | Total Eligible Budget | Eligible budget 2001 | Expenditure 2001 | Eligible budget 2002 | Expenditure 2002 | Eligible budget 2003 | Expenditure 2003 | Combined expenditure¹ | % Of total eligible budget |
| 4.1 Joint secretariat | 1.639.805 | 179.805 | 130.855 | 220.000 | 227.769 | 215.000 | 222.829 | 581.453 | 35% |
| 4.1 Managing and Paying Authority | 536.000 | 67.000 | 0 | 67.000 | 48.487 | 67.000 | 104.694 | 153.181 | 29% |
| 4.1 PMC meetings & travel | 60.000 | 10.000 | 2.970 | 10.000 | 24.952 | 10.000 | 7.431 | 35.353 | 59% |
| 4.1 Regional Contact Points | 300.000 | 50.000 | 15.245 | 50.000 | 53.056 | 50.000 | 55.462 | 123.763 | 41% |
| 4.1 Programme Management costs | 2.535.805 | 306.805 | 149.069 | 347.000 | 354.264 | 342.000 | 390.416 | 893.749 | 35% |
| 4.2 Other costs | 442.195 | 39.945 | 9.059 | 78.000 | 125.927 | 73.000 | 73.386 | 208.372 | 47% |
| Total costs¹ | 2.978.000 | 346.750 | 158.128 | 425.000 | 480.192 | 415.000 | 463.802 | 1.102.121 | 37% |

¹ Combine expenditures and Total costs do not include Programme management costs

7 Publicity and information

7.1 Measures taken by the Joint Programme Secretariat

The Joint Programme Secretariat (JPS) in Copenhagen has provided all interested parties and institutions with information on the programme and its actions. The JPS has been available for contacting by telephone, fax, e-mail, via the web site and in person. Through feedback from the Mid-term evaluation process during 2003, the JPS has devised an Information Action Plan (IAP) with its primary purpose being an instrument for the JPS to monitor, co-ordinate and evaluate the information activities in the whole programme area on an annual basis. The IAP will focus on start-up projects who need guidance, target information to specific groups as the general public, European Commission and national authorities and concluded by stating that the IAP should be seen as an internal document and tool of the JPS.

During 2003 the number of main project and preparatory applications increased due to increased awareness, promotion and the pro-active service approach. For example, previously reported in the NPP Annual report 2001-2002, 13 main projects and 12 preparatory projects were approved. By the end of 2003, a total of 23 main projects and 27 preparatory projects. The Northern Periphery Programme website has increased its function as a conduit of information. In 2003, the NPP web site received approximately 57 000 sessions with an average of 154 sessions per day each lasting on average 13 minutes.

Documents for the programme implementation such as the Applicants' package, Practical Guide for Project Management, Reporting documents and applications were further developed by the JPS to simplify the administration of the NPP.

The JPS has promoted the programme in numerous events:

- ◆ Interreg III information day, Sweden February 2003
- ◆ Interreg III information day Finland March, 2003
- ◆ Interreg III B Seminar, Inverness, Scotland August 2003
- ◆ Interreg III B partenariat in Nairn, Scotland November 2003

The approximate number of participants in total to all events was 80-150.

Partenariats

Nairn, Scotland September 2003

In November 2003 the Scottish RCP, in co-operation with the Joint Programme Secretariat organised a Partenariat in Nairn, Scotland. The Nairn Partenariat followed a different format from the previous Partenariats and focussed on the development of a number of strategic themes, which had been identified at the RAG Chair meeting in Levi, as key topics for project development. Each of the RCPs invited only key participants who were recognised as having the ability to carry forward the strategic project ideas into concrete transnational projects. Presentations were given by the JPS

on how to develop good project applications; however, the main purpose of the partenariat was to allow the drafting of project proposals through workshops on the following themes:

ICT

Renewable energy

SME networking

Rural services

National parks

This event provided an extremely useful arena in which to develop project proposals in a transnational environment, with on-hand help available from the Joint Programme Secretariat and the Regional Contact Points. Following on from this event, seven preparatory projects have been submitted to the Joint Programme Secretariat and it is expected that these will go on to apply for main project funding in 2004.

Project leader seminars

In 2003, a number of project leaders/partners seminars were held throughout the programme area. These were organised by the RCPs in co-operation with the Joint Programme Secretariat. The seminars provided a useful opportunity for project partners to discuss aspects of programme management and administration with fellow project partners. Project partners also had an opportunity to exchange best practice and knowledge in this field. During 2003, the following events were held: Interreg IIIB information days in Sweden on the 14th February, Finland on 10th March and Scotland on 28-29 August, 2003,

The seminars were targeted at organisations and their project leaders/project co-ordinators, who are responsible for the day-to-day management of the project. During the seminars presentations were given by the JPS, and representatives from the Managing and Paying Authority. The purpose of the seminar was to give guidance on the reporting procedures, practicalities concerning budgets and payments. There were discussions on transnational cooperation and the responsibilities of partners. Each of the seminars attracted over 20 participants. Feedback from the seminars has been extremely positive, and participants highlight these events as being a welcome opportunity to exchange best practices on financial and managerial issues with the JPS and MA/PA.

7.2 Measures taken by Regional Contact Points

The Regional Contact Points have had a substantial role in informing and promoting the programme in their respective programme areas as described in chapter 5.

All the above information and publicity actions were financed from the technical assistance budget. An extra allocation to RCPs was made to the amount 60 000 EUR from which 178 899 EUR was claimed from the JPS during 2003. The indicative budget is now at 410 000 EUR.

7.3 Measures taken by national responsible authorities

The Finnish Ministry of Interior, the Scottish Executive, the Swedish Business Development Agency – NUTEK, the Norwegian Ministry of Local Government and Regional Development, Greenland Home Rule, Icelandic Ministry of Industry and Commerce, Løgmannskrivstovan and the Nordic Atlantic Co-operation – NORA have also contributed to the promotion of the Northern Periphery Programme.

In Finland, the Ministry of the Interior has continuously informed about the programme and its implementation through the ministry's information bulletin "Alue-Integraattori", which is published 5 times per year and is sent free of cost to more than 2000 addresses (regional authorities, municipalities, organizations etc.) and is also published in electronic form on the ministry's home page www.intermin.fi. At the ministry's homepage there is also basic information about all Interreg programmes, in which Finland participates, include NPP. A brochure of the Interreg programmes (include NPP) was published in Finnish, Swedish, English and Russian in 2003. In early October 2003, representatives of the ministry, together with the Finnish RCP, participated in a series of well-attended info events in Northern Finland organised by the European North Lapland-Oulu office in Brussels on the Interreg IIIB programmes (include NPP).

In Sweden, NUTEK has produced a brochure on Structural Funds, which also has a section on the Northern Periphery Programme. NUTEK website www.nutek.se has a sub site on the Northern Periphery.

The Swedish Interreg III B Programmes have a network to spread information about Interreg III B and has created a website where a newsletter is published. The newsletter is also distributed to all potential beneficiaries in Sweden, to local authorities (60), to County Councils (7), to County Administrations (7), to organisations for private companies (14), to the Chamber of Commerce (7) etc. To date 6 newsletters have been distributed. The Swedish Interreg III B network also co-operate with governmental agencies and ministries.

In Scotland, the Scottish Executive has established a network for Interreg IIIB generally. This allows information about the programme, and opportunities to participate to be 'cascaded' through the network to a broad range of potential partners. An Information Day took place in June 2003 to promote Interreg. This complements the active promotion of the programme by the RCP, who also took part in the seminar. The Scottish Executive has established a page on their website and an information pack has been developed on the programme.

In Norway, respective national authorities have informed about the programme through several channels e.g. Internet, seminars and conferences. A special website for INTERREG has been established, <http://www.interreg.no/> which has information about the NPP. The Ministry of Local Government and Regional Development has also improved the homepage with information about NPP and links to relevant homepages. The RCP has organized several events and meetings with regional authorities and the Ministry has continuously informed at national events about the program.

In Greenland, on 9th December 2003, a seminar was organized on EU programmes, fundraising and international project cooperation. The seminar was attended by approximately 90 participants consisting of representatives from the private sector, educational institutions, organizations and administration. The background for the

seminar was that Greenland has a number of opportunities to engage in international project cooperation. Besides Northern Periphery Programme, 17 other EU programmes are open for Greenland through its status as an OCT (Overseas Countries and Territories). The purpose of the seminar was to focus on the possibilities that exist through international project cooperation and to utilise them as a development instrument. The seminar was intended to be a kick-start in the formation of a strategy to set priorities and goals best suited to the needs of different sectors. Contact information on the NPP can be found on the government's website: www.nanoq.gl under the subheading "Udenrigsdirektoratet".

In Iceland, the Icelandic Ministry of Industry and Commerce and the Institute of Regional Development has constantly marketed the NPP. As a result the NPP has received more attention and demand than expected and there have been a high number of applications and participants from Iceland. The heightened level of activity has presented many future possibilities in the cooperation between Iceland and other NPP countries.

The Icelandic co-funding of the programme is set at 300.000 €pr. year (including TA). Due to the high and growing interest in the NPP, the Icelandic RAG group members decided to limit contributions to a maximum of 70.000 €to each project and decided that NPP funding could not exceed 50 % of total eligible cost. There have however, been discussions concerning the possibility of increasing the Icelandic funding to the NPP programme due to the high level of interest in the programme which was much higher than expected both from public and private bodies.

Overall, it can be stated that the NPP Programme is one of the most successful international programmes that Iceland is participating in. On the Institute of Regional Development's website is an information pack about the NPP programme (www.byggdastofnun.is/erlentSamstarf).

As an observer in the NPP, NORA has placed information about the programme in its website at www.nora.fo.

8 Compliance with Community Policies

According to Article 12 of the General Regulation European Council Regulation (EC) No 1260/1999, operations financed by the Structural Funds must be in conformity with the provisions of the Treaty, with the instruments adopted under it, and with Community policies and actions. This includes rules on competition, on the award of public contracts, on environmental protection and improvements and on the elimination of inequalities and the promotion of equality between men and women. This compliance is verified in the appraisal of operations as well as during their implementation through monitoring.

General

The information activities used to promote the programme emphasise the policies, which constitute the foundation of the structural funds programmes. Lead partners and project leaders for the approved projects are invited to project leader seminars where further information on programme implementation and strategic policies behind the programme are given. The requirements of public procurement and the continuous

consideration of environment and equal opportunities are also emphasised throughout this process.

The following sections illustrate how several NPP projects in the Northern Periphery Programme are adhering and complying with community policies in Competition, Environment Policy, Promotion of equality between men and women and Information society policies.

8.1 Public Procurement

The purchase of goods and of services, as well as the order for public works, by public services or other public bodies is subject to Community and international/national rules. These rules are applicable for companies, associations and foundations under certain circumstances. The procurement rules are aimed at securing transparent and fair conditions for completion on the common market. These rules have are considered by project partners when it comes to the realisation of investments or when hiring consultants or experts to the project. Datasheet 11 gives information about the rule in question and more guidance is provided in the NPP Practical guide for project management for lead partners.

8.2 Competition Policy

Competition Rules

Aid under the Northern Periphery Programme will be provided only where it is consistent with the de minimis provisions or the block exemptions for aid to small and medium sized enterprises and training aid. Datasheet 12 gives information about the rule in question.

De Minimis

Private project applicants can only be granted aid from the Northern Periphery Programme if they can prove that they have not received public aid amounting to over 100 000 EUR in a three-year period. This rule is elaborated in detail in Datasheet 12 and in the NPP Practical guide for project management.

The Treaty on European Union states that all Member States need to conduct an economic policy that assure an open market with free competition.

All the projects that are being implemented within the Northern Periphery Programme have been assessed to assure an open market with free competition. In an area like the Northern Periphery Programme area with a remote population, it becomes very important to create broad partnerships within the projects to create an openness that both attracts companies involvement and also assure that the companies participating in the Northern Periphery Programme are not being favoured and given an competitive advantage. An example of a project that is working with business development with an open approach and not disturbing the competitive climate is Structure for Commercialisation of Rural Innovation (SCRI). The main objective in SCRI is to gather the experiences from business development and innovation development from the academic sector, public sector and private sector. By evaluating, the different systems of business development and innovation development used in the different sectors a pool of relevant skills will be created. Those skills will be used in creating new business and in the end of the project a sustainable approach to the creation and support of new and developing rural companies will have been developed. This new approach will

benefit the features of the Northern Periphery Programme area and all companies and innovators.

Another example of a project working to strengthening businesses within the Northern Periphery Programme area is a project called Profile. The project will create a network between female company leaders, organisational leaders and strengthening their skills by promoting new patterns of leadership through the better use of networking. The Profile project specifically plans to strengthen the female leadership in the business and entrepreneur sector; although, the project is an open for all female leaders. The positive outcome of the project depends on the participants contributing through the sharing of their experiences and their engagement in the project.

8.3 Environment Policy

The unique environment of the Northern Periphery Programme area is one of its main assets, and the high quality of life in the area is perceived as one of the region's main advantages. The Northern Periphery Programme therefore strongly supports the objectives of the Treaty of Amsterdam, concerning the integration of environmental requirements and sustainable development into all community policies. This objective is fully complimentary to the aims of the Northern Periphery Programme, which strives to ensure that regional development and economic growth never threaten the high quality environment of the region.

As such, sustainable environmental issues are taken into consideration during the evaluation and assessment of project applications, and the selection criteria favours projects that make a positive contribution to the environment. Project sponsors must ensure that environmental issues are integrated into all aspects of project implementation. Priority 2 of the programme is specifically targeted towards projects that strengthen sustainable economic development, however all projects are required to ensure that they take this priority into consideration.

To date the programme has supported a number of projects that have been specifically concerned with the sustainable development of the area. One of the first projects to be supported in this field is a project called 'Ecowatsa', which aims to develop ecologically and environmentally practical solutions for waste treatment in northern regions. In remote northern areas it can often be expensive and logistically difficult to develop ecologically friendly waste solutions, however this project will develop a software tool, which will allow municipalities and other bodies to evaluate which waste treatment solutions best meet their needs. This will be facilitated by international exchange of information and experience. A final solution will be developed through a number of pilot projects in the different partner countries. The project involves partners in Finland, Sweden and Greenland and the total project cost for Ecowatsa is 728, 000 Euro with an NPP award of 414, 800 Euro.

Another example of a project that is primarily concerned with preserving the unique environment of the north is a project entitled 'Sustainable Model for Arctic Regional Tourism' or SMART. This project is assisting the arctic tourism sector to develop positive economic, social and environmental benefits from tourism, based on promoting the exceptional cultural and natural environment of the North. The project involves partners from Sweden, Norway, Finland and Greenland, as well as non-NPP eligible partners in Alaska and Canada. The total project cost for SMART is 874,831 Euro with an NPP grant of 488,533 Euro.

In the 5th round of applications to the NPP a project entitled 'Nature Based Tourism' (NBT) was recommended for approval. It is widely recognised that the first-class natural environment of the northern periphery is one of its key selling points in terms of tourism, and this tourism is often crucial to the survival of small communities. The growth of nature based and eco-tourism presents excellent opportunities for these small communities, however it has to be managed and developed in the correct manner. This project seeks to ensure that through the creation of a cross-border arena, common solutions can be found to problems and issues that are faced across the area. The overall aim is to encourage the sustainable development of nature-based tourism and to promote the unique environment of the northern periphery as a tourism destination. The project includes partners from Norway, Scotland, Sweden and Iceland and has a total project cost of 1,464,475 Euro with an NPP grant of 878,685 Euro.

The projects described above are primarily focused on sustainable development and the environment, however as outlined above this is also relevant to all approved projects.

8.4 Promotion of equality between men and women

Equal opportunities is one of the horizontal themes of the current structural fund period and as such the Northern Periphery Programme puts special emphasis on supporting projects that make a positive contribution to equal opportunities between men and women. In order to be eligible for NPP funding, projects must take these factors into consideration and the application form includes a special section on equal opportunities where project applicants must demonstrate the positive contribution that their project will make towards equality. This concept is promoted in all aspects of the programme, including programme administration, project assessments (through the selection criteria) and the monitoring of approved projects. This policy has been very successful to date and a number of projects have been approved that are specifically focussed on promoting equality between the sexes. Such projects as Rural Business Women and PROFILE are good examples of supporting a positive contribution to equal opportunities between men and women.

8.5 Information society policy

The growth of information and communication technology has provided a lifeline to rural communities, and its development in remote and sparsely populated areas has been identified as a crucial factor in the continued preservation of these communities. A region's competitiveness lies in its potential for innovation and new technologies can often provide an instrument for social integration. Implementation of the Northern Periphery Programme therefore takes into account the eEurope Initiative and the Northern eDimension Action Plan, as well as the aims of the Lisbon Strategy to prepare for the transition to a knowledge-based information society. Measure 1.2 of the programme is specifically targeted at access to the information society and special emphasis has been given to this issue throughout the programme's development. However, communications and IT are relevant to all projects in the programme, and as such every project approved must demonstrate the integration of these tools into their project.

Prioritisation of ICT in the NPP has led to the development of a number of projects that are primarily based around this topic. A good example of this type of project is the

'Community Learning Networks' (CLN). In remote and rural areas access to further and higher education is often restricted or unavailable, and those who do study remotely can often feel cut off and in isolation. However, this project aims to support those working or studying in remote learning centres by creating a virtual community network, which will connect staff and students to others in a similar position through video-conferencing and the use of IT. The project also aims to promote the unique culture and history of the programme area through the development of a virtual course, studied and taught with the use of IT by staff and students across the project area in Scotland, Sweden, Finland and Iceland. The total project cost for CLN is 672,000 Euro with an NPP grant of 336,000 Euro.

Another project that focuses on the utilisation of IT to overcome barriers faced by remote communities is a project called 'Remote Telematic Solutions for patient diagnoses and training of health care professionals in sparsely populated areas' or REMEDY. This project aims to develop the practical use of telemedical support in the health and medical services in sparsely populated and remote areas of the northern periphery, where distances and remoteness can often mean that certain types of health care and support are not available locally. An IT-based training programme will also be developed which will serve as a foundation for a Europe standard certification in this field. This project involves partners from Scotland, Finland and Sweden and has a total project cost of 935 450 Euro with an NPP award of 500 000 Euro.

Another project funded by the Northern Periphery Programme that focuses on the utilisation of IT is the Rural Business Information Exchange System or RUBIES. This project seeks to address the problems faced by rural entrepreneurs in sourcing, processing and using pertinent and timely business support information to make efficient and effective entrepreneurial decisions. The project also aims to raise general awareness among rural SMEs of the possibilities and assistance that advanced ICT solutions can provide them. As a sub-objective of the RuBIES it will support the formation of regional, national and transnational networks and encourage co-operation between SMEs, advisors and information suppliers through exchange of information and experiences using both ICT-solutions and providing forums for personal contacts in partner meetings, regional, national and international meetings and conferences. This project has partners in Scotland, Iceland, Sweden and Finland and has a total project cost of 714 093 Euro with NPP assistance of 355 954 Euro.

Several other projects have also been approved that focus on the utilisation and development of information and communications technology including a project called Northern Potential, which aims to increase communication and networking between the regions of the Northern Periphery by creating common on-line knowledge bases, a comprehensive information website, discussion forums and GIS mapping functions.

Through examining the scope of these projects it becomes evident that the Northern Periphery Programme actively encourages innovative projects, which utilise IT for the benefit of rural communities across the Northern Periphery of Europe and through this focus some strategic outputs have been achieved.

Annexes

1 Committed funds 31 Dec 2003

2 Total decisions 31 Dec 2003 by priority and measure

3 Total decisions 31 Dec 2003 by field of intervention

4 Payments 31 Dec 2003

5 Project indicators Priority 1

6 Project indicators Priority 2

7 Project indicators Priority 3

8 SME involvement

9 MTE Action Plan

Annex 1 Committed ERDF December 31, 2003

| | Total ERDF priority 1 | Total ERDF priority 2 | Total ERDF priority 3 | Total ERDF priority 4 | Total ERDF NPP |
|--------------------|--------------------------|-----------------------|--------------------------|--------------------------|----------------|
| Budget | 4.893.000 | 8.510.000 | 6.383.000 | 1.489.000 | 21.275.000 |
| Committed | 1.499.165 | 4.530.306 | 2.281.690 | 1.489.000 | 9.800.161 |
| % of budget | 30,6% | 53,2% | 35,7% | 100,0% | 46,1% |

Total committed ERDF and Non ERDF funds December 31, 2003

| | Total NPP Priority 1 | Total NPP Priority 2 | Total NPP Priority 3 | Total NPP Priority 4 | Total NPP |
|--------------------|-------------------------|-------------------------|-------------------------|-------------------------|------------|
| Budget | 6.566.380 | 11.435.280 | 8.494.000 | 2.408.007 | 28.903.667 |
| Committed | 2.505.165 | 6.873.390 | 3.313.126 | 2.408.007 | 15.099.688 |
| % of budget | 38% | 60% | 39% | 100% | 52% |

**Annex 2 Interreg IIIB
Northern
Periphery
Programme
Priority 1,
Communications**

| | Total ERDF 1.1 | Total ERDF 1.2 | Total Norway Priority 1 | Total Iceland Priority 1 | Total Greenlan d Priority 1 | Total Faroe Island Priority 1 | Total NPP Priority 1 |
|-----------------------|-------------------|------------------|-------------------------------|--------------------------------|--------------------------------------|--|-------------------------|
| Budget | 2.446.500 | 2.446.500 | 1.169.500 | 345.000 | 101.380 | 57.500 | 6.566.380 |
| Committed | 419.849 | 1.079.316 | 785.000 | 121.000 | 50.000 | 50.000 | 2.505.165 |
| % of budget | 17,2% | 44,1% | 67,1% | 35,1% | 49,3% | 87,0% | 38,2% |
| Total payments | 115460 | 36023 | | | | | 151.483 |

| Total ERDF Priority 1 | Total Priority 1 |
|--------------------------|---------------------|
| 4.893.000 | |
| 1.499.165 | 0 |
| 30,6% | #DIV/0! |
| 151.483 | 151.483 |

**Measure 1.1,
Transportation, Logistics
and Transport
Infrastructure**

| Nr | Project | Type | Date of decision | End date | Committed ERDF | Committed Norway | Committed Iceland | Committed Greenland | Committed Faroe Island |
|------------|-------------------------------|------|---------------------|----------|-------------------|---------------------|----------------------|------------------------|---------------------------|
| 01/01/09 | Roadex II | Main | 17/06/02 | 31/01/05 | 150.000 | 50.000 | | | |
| 02/01/15 | Northern Maritime Corridor | Main | 26/08/02 | 31/12/05 | 252.000 | 675.000 | 50.000 | 50.000 | 50.000 |
| 2003/01/23 | FreightNet | PP | 04/02/03 | 13/03/03 | 14.500 | | | | |
| 2002/05/13 | Sub- Sea Tunnels | MP | 30/05/02 | 13/06/02 | 3.349 | | | | |

**Measure 1.2,
Access to
Information
Society**

| Nr | Project | Type | Date of decision | End date | Committed ERDF | Committed Norway | Committed Iceland | Committed Greenland | Committed Faroe Island |
|------------|-------------------------------|------|---------------------|----------|-------------------|---------------------|----------------------|------------------------|---------------------------|
| 03/01/31 | Rubies | Main | 15/09/03 | 31/12/06 | 315.956 | | 40.000 | | |
| 01/01/08 | CLN-NPA II | Main | 04/09/02 | 31/05/04 | 245.000 | 60.000 | 31.000 | | |
| 02/01/12 | Remedy | Main | 04/09/02 | 31/05/05 | 500.000 | | | | |
| 2002/07/18 | Rural Business info.portal | PP | 09/08/02 | 01/01/03 | 14.500 | | | | |
| 2003/03/07 | Internet based healthcare | MP | 24/04/03 | 01/09/03 | 3.860 | | | | |

Annex 2

**Priority 2, Strengthen
Sustainable Economic
Development**

| | Total ERDF 2.1 | Total ERDF 2.2 | Total Norway Priority 2 | Total Iceland Priority 2 | Total Greenland Priority 2 | Total Faroe Island Priority 2 | Total NPP Priority 2 |
|-------------|------------------|------------------|-------------------------|--------------------------|----------------------------|-------------------------------|----------------------|
| Budget | 5.106.000 | 3.404.000 | 2.034.500 | 600.000 | 190.780 | 100.000 | 11.435.280 |
| Committed | 2.544.932 | 1.985.374 | 1.528.535 | 533.507 | 177.429 | 103.613 | 6.873.390 |
| % of budget | 49,8% | 58,3% | 75,1% | 88,9% | 93,0% | 103,6% | 60,1% |

| Total ERDF Priority 2 | Total Priority 2 |
|-----------------------|------------------|
| 8.510.000 | |
| 4.530.306 | 0 |
| 53,2% | #DIV/0! |

**Measure 2.1, Sustainable
Use of Nature and
Natural Resources**

| Nr | Project | Type | Date of decision | End date | Committed ERDF | Committed Norway | Committed Iceland | Committed Greenland | Committed Faroe Island |
|--------------|---|------|------------------|----------|----------------|------------------|-------------------|---------------------|------------------------|
| 02/01/18 | Northernberries | Main | 04/09/02 | 31/05/05 | 394500 | 171750 | | | |
| 02/02/20 | SMART | Main | 28/02/03 | 31/12/05 | 427148 | 61385 | | | |
| 02/02/21 | Rural Business Women | Main | | 31/05/06 | 477106,5 | | 110232 | | |
| 02/02/25 | External Timber Cladding | Main | 23/01/03 | 31/12/05 | 290267 | 180750 | | | 40406 |
| 02/02/26 | Sagas & Story telling | Main | 23/01/03 | 31/12/05 | 126000 | 99000 | 210000 | 72000 | 38000 |
| 03/01/29 | PNASTINA | Main | | 31/12/05 | 323114 | 150000 | | 50000 | |
| 03/02/41 | Nature Based Tourism | Main | | | 391185 | 450000 | 37500 | | |
| 2002/05/21 | External Timber Cladding | PP | 30/05/02 | 30/08/02 | 12726 | 2228 | | | |
| 2002/06728 | Northern Gateways | PP | 07/07/02 | 28/11/02 | 6500 | 2500 | 1810 | | |
| 2002/07/23 | Green Tourism Network | PP | 08/08/02 | 29/09/02 | 4699,5 | 1097,5 | 1715 | | |
| 2002/08/12 | Destination Viking | PP | 30/08/02 | 25/09/02 | 640 | 533 | 6933 | 827 | 1067 |
| 2003/02/14 | PNASTINA | PP | 13/03/03 | 13/03/03 | 9000 | 2000 | | 2000 | |
| 2003/10/31-1 | Bitwon | PP | 19/12/02 | 13/03/03 | 15000 | | | | |
| 2003/06/20 | Sustainable development of fish | PP | 25/07/03 | 31/12/03 | 5188 | 7563,6 | 2248,2 | | |
| 2003/06/23 | Sustainable use of aggregated resources | PP | 25/07/03 | 14/09/03 | | | 12398 | 2602 | |
| 2003/07/17 | Assessment of Cultural Heritage | PP | 25/07/03 | 05/12/03 | 9393 | | 2058 | | |
| 2003/10/13 | Enhancing Local Activity & Value | PP | 10/11/03 | 29/02/04 | 15000 | | | | |

| | | | | | | | | | |
|------------|---|----|----------|----------|-------|------|------|--|------|
| 2003/12/15 | People, Parks and Progress | PP | 21/01/04 | 06/03/04 | 7520 | | 7480 | | |
| 2003/12/16 | Sustainable development of Scots pine | PP | 21/01/04 | 11/06/04 | 14945 | | | | |
| 2003/12/08 | To create a new geopark network in the areas of the Northern Periphery Programme | PP | 03/03/04 | 12/06/04 | 15000 | | | | |
| 2004/01/05 | Developing Small and Medium Scale Woodfuel Supply | PP | 20/02/04 | 12/06/04 | 11000 | | 4000 | | |
| 2004/01/05 | Alternative substances in feed for Atlantic cod | PP | 20/02/04 | 01/05/04 | 2230 | 2230 | 8133 | | 2230 |
| 2003/12/23 | The Delivery of Services to Remote and Rural Areas: A Transnational Exchange of Ideas and Practices | PP | | 06/03/04 | 12000 | | 3000 | | |

Measure 2.2, Business Innovation and Development of Human Resources

| Nr | Project | Type | Date of decision | End date | Committed ERDF | Committed Norway | Committed Iceland | Committed Greenland | Committed Faroe Island |
|--------------|----------------------------|------|------------------|----------|----------------|------------------|-------------------|---------------------|------------------------|
| 02/02/19 | SCRI | Main | 28/02/03 | 31/01/05 | 380125 | 114950 | | | |
| 02/02/23 | PROFILE | Main | 23/01/03 | 30/11/04 | 213732 | | | | 21910 |
| 03/01/31 | YEF | Main | 10/10/03 | 30/09/06 | 372509 | 274650 | 70000 | 50000 | |
| 03/02/43 | USEVENUE | Main | | | 537000 | | 50000 | | |
| 03/02/37 | BITWON | Main | | | 465000 | | | | |
| 2002/06/13-1 | From Forest to Cities | PP | 20/06/02 | 25/11/02 | 3.910 | | | | |
| 2002/11/11 | Youth Entrepreneur Factory | PP | 29/11/02 | 13/03/03 | 7.098 | 7.898 | | | |
| 2003/06/06 | USEVENUE | PP | 03/07/03 | 14/09/03 | 6.000 | | 6.000 | | |

**Annex 2 Interreg IIIB
Northern Periphery
Programme
Priority 3,
Community
Development**

| | Total ERDF 3.1 | Total ERDF 3.2 | Total Norway Priority 3 | Total Iceland Priority 3 | Total Greenland Priority 3 | Total Faroe Island Priority 3 | Total NPP Priority 3 |
|-----------------------|-------------------|-------------------|-------------------------------|--------------------------------|----------------------------------|--|-------------------------|
| Budget | 4.468.100 | 1.914.900 | 1.526.000 | 450.000 | 60.000 | 75.000 | 8.494.000 |
| Committed | 361.593 | 1.920.097 | 834.990 | 116.734 | 27.300 | 52.412 | 3.313.126 |
| Proposal | | | | | | | 0 |
| % of budget | 8,1% | 100,3% | 54,7% | 25,9% | 45,5% | 69,9% | 39,0% |
| Applications | 0 | 0 | 0 | 0 | | 0 | 0 |
| Total payments | | | | | | | 0 |

| Total ERDF Priority 3 | Total Priority 3 |
|--------------------------|---------------------|
| 6.383.000 | |
| 2.281.690 | 0 |
| 0 | 0 |
| 35,7% | #DIV/0! |
| 0 | |
| 0 | 0 |

**Measure 3.1,
Household Related
Service Provision**

| Nr | Project | Type | Date of decision | End date | Committed ERDF | Committed Norway | Committed Iceland | Committed Greenland | Committed Faroe Island |
|------------|--------------------|------|---------------------|----------|-------------------|---------------------|----------------------|------------------------|------------------------------|
| 02/01/16 | Ecowatsa | Main | 04/09/02 | 31/05/05 | 357.500 | 30.000 | | 27.300 | |
| 2002/07/29 | Community Business | PP | 28/10/02 | 30/04/02 | 4.093 | 2.456 | | | |

**Measure 3.2, Public
Management and Spatial
Planning**

| Nr | Project | Type | Date of decision | End date | Committed ERDF | Committed Norway | Committed Iceland | Committed Greenland | Committed Faroe Island |
|------------|----------------------------------|------|---------------------|----------|-------------------|---------------------|----------------------|------------------------|------------------------------|
| 02/01/17 | Small Town Network | Main | 24/06/02 | 31/07/05 | 600.200 | | 30.200 | | |
| 02/02/22 | Northern Potential | Main | 13/12/02 | 28/02/06 | 447.000 | 195.000 | | | |
| 03/02/40 | Our Life as Elderly | Main | | 31/03/07 | 333.486 | 113.350 | | | 50.000 |
| 03/02/38 | Cultural Community Business | Main | | 31/03/07 | 352.200 | 187.934 | | | |
| 03/01/03 | BRANDR | Main | | 14/06/06 | 150.000 | 300.000 | 86.534 | | |
| 2002/07/05 | PreWatCon | PP | 05/08/02 | 31/01/03 | 13.373 | | | | |
| 2003/10/31 | Citizen based dialogue | PP | 02/12/02 | 31/03/03 | 7.588 | | | | 2.412 |
| 2002/11/06 | Trade marking of municipality | PP | 16/12/02 | 01/05/03 | 6.250 | 6.250 | | | |
| 2003/06/02 | Open Doors to the Region | PP | 26/06/03 | 30/11/03 | 10.000 | | | | |

**Annex 2 Interreg IIB
Northern Periphery
Programme
Priority 4 Technical
Assistance**

| | Total ERDF 4.1 | Total ERDF 4.2 | Total Norway Priority 4 | Total Iceland Priority 4 | Total Greenland Priority 4 | Total Faroe Island Priority 4 | Total NPP Priority 4 |
|--------------------|------------------|----------------|-------------------------|--------------------------|----------------------------|-------------------------------|----------------------|
| Budget | 1.267.903 | 221.098 | 770.000 | 105.000 | 26.507 | 17.500 | 2.408.007 |
| Committed | 1.267.903 | 221.098 | 770.000 | 105.000 | 26.507 | 17.500 | 2.408.007 |
| Proposal | | | | | | | 0 |
| % of budget | 100,0% | 100,0% | 100,0% | 100,0% | 100,0% | 100,0% | 100,0% |

| Total ERDF Priority 4 | Total Priority 4 |
|-----------------------|------------------|
| 1.489.000 | 3.897.015 |
| 1.489.000 | 3.897.015 |
| 0 | 0 |
| 100,0% | 100,0% |

Measure 4.1,

| Nr | Project | Type | Date of decision | End date | Committed ERDF | Committed Norway | Committed Iceland | Committed Greenland | Committed Faroe Island |
|----|----------------------|------|------------------|----------|----------------|------------------|-------------------|---------------------|------------------------|
| | Technical Assistance | | | | 1.267.903 | 161.321 | 21.999 | 5.554 | 4.630 |

Measure 4.2,

| Nr | Project | Type | Date of decision | End date | Committed ERDF | Committed Norway | Committed Iceland | Committed Greenland | Committed Faroe Island |
|----|----------------------|------|------------------|----------|----------------|------------------|-------------------|---------------------|------------------------|
| | Technical Assistance | | | | 221.098 | 171.325 | 23.362 | 5.898 | 4.918 |

**Technical Assistance for
Regional Advisory Groups only
NMS funding**

| Nr | Project | Type | Date of decision | End date | Committed Norway | Committed Iceland | Committed Greenland | Committed Faroe Island |
|----|--------------------------|------|------------------|----------|------------------|-------------------|---------------------|------------------------|
| | Regional Advisory Groups | | | | 437.354 | 59.639 | 15.055 | 7.952 |

Annex 3 Interreg IIB Northern Periphery

Committed funds 31 December 2003 by fields of intervention

13 Promoting the adaptation and the development of rural areas

| Measure | Reference | Title | Type | Committed ERDF | Committed ERDF-equivalent Norway | Committed ERDF-equivalent Iceland | Committed ERDF-equivalent Greenland |
|--------------|------------|--|------|------------------|----------------------------------|-----------------------------------|-------------------------------------|
| 2.1 | 02/01/18 | Northemberries | Main | 394.500 | 171.750 | - | - |
| 2.1 | 03/01/29 | PNASTINA | Main | 323.114 | 150.000 | - | 50.000 |
| 2.1 | 2003/06/20 | Sustainable development of fish | PP | 5.188 | 7.564 | 2.248 | - |
| 2.1 | 2003/10/13 | Enhancing Local Activity and Value | PP | 15.000 | - | - | - |
| 2.1 | 2003/12/16 | Sustainable Development of Scots Pine | PP | 14.945 | - | - | - |
| 3.1 | 02/01/16 | Ecowatsa | Main | 357.500 | 30.000 | - | 27.300 |
| 3.1 | 2003/12/23 | The Delivery of Services to Remote and Rural Areas | PP | 12.000 | - | 3.000 | - |
| 3.2 | 02/01/17 | Small Town Network | Main | 600.200 | - | 30.200 | - |
| 3.2 | 02/02/22 | Northern Potential | Main | 447.000 | 195.000 | - | - |
| 3.2 | 03/02/40 | Our Life as Elderly | Main | 333.486 | 113.350 | - | - |
| 3.2 | 03/02/38 | Cultural Community Business | Main | 352.200 | 187.934 | - | - |
| 3.2 | 03/01/03 | BRANDR | Main | 150.000 | 300.000 | 86.534 | - |
| 3.2 | 2002/07/05 | PreWatCon | PP | 13.373 | - | - | - |
| 3.2 | 2003/10/31 | Citizen Based Dialogue | PP | 7.588 | - | - | - |
| 3.2 | 2002/11/06 | Trademarking of Municipality | PP | 6.250 | 6.250 | - | - |
| 3.2 | 2003/06/02 | Open Doors to the Region | PP | 10.000 | - | - | - |
| Total | | | | 3.042.344 | 1.161.848 | 121.982 | 77.300 |

16 Assisting SMEs and the craft sector

| Measure | Reference | Title | Type | Committed ERDF | Committed ERDF-equivalent Norway | Committed ERDF-equivalent Iceland | Committed ERDF-equivalent Greenland |
|---------|--------------|---|------|----------------|----------------------------------|-----------------------------------|-------------------------------------|
| 2.1 | 02/02/21 | Rural Business Women | Main | 477.107 | - | 110.232 | - |
| 2.1 | 02/02/25 | External Timber Cladding | Main | 290.267 | 180.750 | - | - |
| 2.1 | 2002/05/21 | External Timber Cladding | PP | 12.726 | 2.228 | - | - |
| 2.1 | 2003/02/14 | PNASTINA | PP | 9.000 | 2.000 | - | 2.000 |
| 2.1 | 2003/10/31-1 | Bitwon | PP | 15.000 | - | - | - |
| 2.1 | 2003/06/23 | Sustainable use of aggregated resources | PP | | - | 12.398 | 2.602 |
| 2.1 | 2003/12/08 | To Create a New Geopark Network in the Areas of the NPP | PP | 15.000 | - | - | - |
| 2.2 | 2002/11/11 | Youth Entrepreneur Factory | PP | 7.098 | 7.898 | - | - |
| 2.2 | 2003/06/06 | USEVENUE | PP | 6.000 | - | 6.000 | - |

17 Tourism

| Measure | Reference | Title | Type | Committed ERDF | Committed ERDF-equivalent Norway | Committed ERDF-equivalent Iceland | Committed ERDF-equivalent Greenland | Committed ERDF-equivalent Faroe Islands |
|--------------|------------|---------------------------------|------|------------------|----------------------------------|-----------------------------------|-------------------------------------|---|
| 2.1 | 02/02/20 | SMART | Main | 427.148 | 61.385 | - | - | - |
| 2.1 | 02/02/26 | Sagas & Storytelling | Main | 126.000 | 99.000 | 210.000 | 72.000 | 38.000 |
| 2.1 | 03/02/41 | Nature Based Tourism | Main | 391.185 | 450.000 | 37.500 | - | - |
| 2.1 | 2002/06/28 | Northern Gateways | PP | 6.500 | 2.500 | 1.810 | - | - |
| 2.1 | 2002/07/23 | Green Tourism Network | PP | 4.700 | 1.098 | 1.715 | - | - |
| 2.1 | 2002/08/12 | Destination Viking | PP | 640 | 533 | 6.933 | 827 | 1.067 |
| 2.1 | 2003/07/17 | Assessment of Cultural Heritage | PP | 9.393 | - | 2.058 | - | - |
| 2.1 | 2003/12/15 | People, Parks and Progress | PP | 7.520 | - | 7.480 | - | - |
| 2.2 | 03/02/43 | USEVENUE | Main | 537.000 | - | 50.000 | - | - |
| Total | | | | 1.510.086 | 614.516 | 317.496 | 72.827 | 39.067 |

18 Research, technological development and innovation (RTDI)

| Measure | Reference | Title | Type | Committed ERDF | Committed ERDF-equivalent Norway | Committed ERDF-equivalent Iceland | Committed ERDF-equivalent Greenland | Committed ERDF-equivalent Faroe Islands |
|--------------|-----------|--------|------|----------------|----------------------------------|-----------------------------------|-------------------------------------|---|
| 2.2 | 02/02/19 | SCRI | Main | 380.125 | 114.950 | - | - | - |
| 2.2 | 03/02/37 | BITWON | Main | 465.000 | - | - | - | - |
| Total | | | | 845.125 | 114.950 | - | - | - |

24 Workforce flexibility, entrepreneurial activity, innovation, information and communication technologies

| Measure | Reference | Title | Type | Committed ERDF | Committed ERDF-equivalent Norway | Committed ERDF-equivalent Iceland | Committed ERDF-equivalent Greenland | Committed ERDF-equivalent Faroe Islands |
|--------------|--------------|------------------------|------|----------------|----------------------------------|-----------------------------------|-------------------------------------|---|
| 2.2 | 02/02/23 | PROFILE | Main | 213.732 | - | - | - | 21.910 |
| 2.2 | 03/01/31 | YEF | Main | 372.509 | 274.650 | 70.000 | 50.000 | - |
| 2.2 | 2002/06/13-1 | From Forests to Cities | PP | 3.910 | - | - | - | - |
| Total | | | | 590.151 | 274.650 | 70.000 | 50.000 | 21.910 |

31 Transport infrastructure

| Measure | Reference | Title | Type | Committed ERDF | Committed ERDF-equivalent Norway | Committed ERDF-equivalent Iceland | Committed ERDF-equivalent Greenland | Committed ERDF-equivalent Faroe Islands |
|--------------|------------|----------------------------|------|----------------|----------------------------------|-----------------------------------|-------------------------------------|---|
| 1.1 | 01/01/09 | Roadex II | Main | 150.000 | 50.000 | - | - | - |
| 1.1 | 02/01/15 | Northern Maritime Corridor | Main | 252.000 | 675.000 | 50.000 | 50.000 | 50.000 |
| 1.1 | 2003/01/23 | FreightNet | PP | 14.500 | - | - | - | - |
| 1.1 | 2002/05/13 | Sub-Sea Tunnels | MP | 3.349 | - | - | - | - |
| Total | | | | 419.849 | 725.000 | 50.000 | 50.000 | 50.000 |

32 Telecommunications infrastructure and information society

| Measure | Reference | Title | Type | Committed ERDF | Committed ERDF-equivalent Norway | Committed ERDF-equivalent Iceland | Committed ERDF-equivalent Greenland | Committed ERDF-equivalent Faroe Islands |
|--------------|------------|-----------------------------------|------|------------------|----------------------------------|-----------------------------------|-------------------------------------|---|
| 1.2 | 03/01/31 | Rubies | Main | 315.956 | - | 40.000 | - | - |
| 1.2 | 01/01/08 | CLN-NPA II | Main | 245.000 | 60.000 | 31.000 | - | - |
| 1.2 | 02/01/12 | Remedy | Main | 500.000 | - | - | - | - |
| 1.2 | 2002/07/18 | Rural Business Information Portal | PP | 14.500 | - | - | - | - |
| 1.2 | 2003/03/07 | Internet based healthcare | MP | 3.860 | - | - | - | - |
| Total | | | | 1.079.316 | 60.000 | 71.000 | - | - |

41 Technical assistance and innovative actions

| Measure | Reference | Title | Type | Committed ERDF | Committed ERDF-equivalent Norway | Committed ERDF-equivalent Iceland | Committed ERDF-equivalent Greenland | Committed ERDF-equivalent Faroe Islands |
|--------------|-----------|---|------|------------------|----------------------------------|-----------------------------------|-------------------------------------|---|
| 4.1 | - | Programme Management | TA | 1.267.903 | 161.321 | 21.999 | 5.554 | 4.630 |
| 4.2 | - | Other Costs | TA | 221.098 | 171.325 | 23.362 | 5.898 | 4.918 |
| | | Technical Assistance for RAGs, only NMS funding | TA | | 437.354 | 59.639 | 15.055 | 7.952 |
| Total | | | | 1.489.001 | 770.000 | 105.000 | 26.507 | 17.500 |

| | | | | | | | | |
|---|--|--|--|------------------|------------------|----------------|----------------|----------------|
| Total Interreg IIIB Northern Periphery | | | | 9.812.163 | 3.916.296 | 864.108 | 281.236 | 221.295 |
|---|--|--|--|------------------|------------------|----------------|----------------|----------------|

Annex 4. Payments 31 Dec 2003

| Interreg IIB Northern Periphery Programme 2000-2006 Member state payments until 31 December, 2003 | | | | | | | | | |
|---|--|---|----------------------------|----------------------------|---------------------------------------|--|--|--|--|
| | | EU | | | Finland, Scotland, Sweden | | Non members | | |
| Priorities and measures | | Payments from the European Commission | Budget EU- funding ERDF | EU- funding paid out | National co- financing paid out | Eligible private co- financing paid out | ERDF- equivalent financing paid out | National NMS co-financing paid out | |
| | | EURO | | | | | | | |
| Payment received 04.04.2002 | | 1.489.250 | | | | | | | |
| Payment received 27.06.2003 | | 530.764 | | | | | | | |
| 1.Communications | | | | | | | | | |
| 1.1 Transportation, logistics and transportation infrastructure | | | 2.446.500 | 115.460 | 154.093 | 0 | 49.066 | 26.822 | |
| 1.2 Access to information society | | | 2.446.500 | 328.541 | 302.220 | 0 | 76.991 | 76.991 | |
| 2. Strengthen Sustainable Economic Development | | | | | | | | | |
| 2.1 Sustainable use of nature and natural resources | | | 5.106.000 | 259.829 | 186.899 | 0 | 102.973 | 67.556 | |
| 2.2 Business innovation and Development of human resources | | | 3.404.000 | 117.681 | 95.058 | 677 | 40.326 | 38.376 | |
| 3. Community Development | | | | | | | | | |
| 3.1 Household related service provision | | | 4.468.100 | 112.288 | 88.250 | 448 | 24.214 | 15.172 | |
| 3.2 Public Management and spatial planning | | | 1.914.900 | 231.566 | 207.678 | 0 | 51.335 | 38.437 | |
| 4. Technical Assistance | | | | | | | | | |
| 4.1 Programme Management | | | 1.267.902 | 546.330 | 375.846 | 0 | 0 | 0 | |
| 4.2 Other costs | | | 221.098 | 109.660 | 82.122 | 0 | 0 | 0 | |
| Total | | 2.020.014 | 21.275.000 | 1.821.355 | 1.492.166 | 1.125 | 344.905 | 263.354 | |

Interreg IIIB Northern Periphery Programme 2000-2006

Annex 3 B

Annex 4 B Non Member State payments from the programme until 31st December, 2003

| Priorities and measures | Norway | | Iceland | | Greenland | | Faroe Islands | | Total NMS |
|--|--|---------------------------------------|--|---------------------------------------|--|---------------------------------------|--|---------------------------------------|--|
| | ERDF-equi- valent funding paid out | National co- financing paid out | ERDF-equi- valent funding paid out | National co- financing paid out | ERDF-equi- valent funding paid out | National co- financing paid out | ERDF-equi- valent funding paid out | National co- financing paid out | ERDF-equi- valent funding paid out |
| | EURO | | | | | | | | |
| 1.Communications | | | | | | | | | |
| <i>1.1 Transportation, logistics and transportation infrastructure</i> | 49.066 | 26.822 | 0 | 0 | 0 | 0 | 0 | 0 | 49.066 |
| <i>1.2 Access to information society</i> | 55.592 | 55.592 | 21.399 | 21.399 | 0 | 0 | 0 | 0 | 76.991 |
| 2. Strengthen Sustainable Economic Development | | | | | | | | | |
| <i>2.1 Sustainable use of nature and natural resources</i> | 100.961 | 65.611 | 2.012 | 1.945 | 0 | 0 | 0 | 0 | 102.973 |
| <i>2.2 Business innovation and development of human resources</i> | 40.326 | 38.376 | 0 | 0 | 0 | 0 | 0 | 0 | 40.326 |
| 3. Community Development | | | | | | | | | |
| <i>3.1 Household related service provision</i> | 7.724 | 5.168 | 0 | 0 | 16.490 | 10.004 | 0 | 0 | 24.214 |
| <i>3.2 Public Management and spatial planning</i> | 51.335 | 38.437 | 0 | 0 | 0 | 0 | 0 | 0 | 51.335 |
| 4. Technical Assistance | | | | | | | | | |
| <i>4.1 Programme Management</i> | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <i>4.2 Other costs</i> | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 305.004 | 230.006 | 23.411 | 23.344 | 16.490 | 10.004 | 0 | 0 | 344.905 |

Annex 5 Priority 1 Communications

| Measure | Indicator | Description | Indicator measurement | Number |
|---|---|--|-----------------------------|--------|
| 1.1 Transportation, logistics and transport infrastructure | Transport networks | Network activities for maintained and improved transports | Number of networks | 5 |
| | | | Number of partners involved | 59 |
| | | | Number of sectors involved | 4 |
| | Northwest Russia connections | Projects connecting Northwest Russia to Western Europe | Number of projects | 1 |
| | Communication links Communication studies | Strengthened communication links as a result of the project Surveys of communication problems and solutions | Number of new links | 5 |
| | | | Number of improved links | |
| | | | Number of studies | 8 |
| | Job-locating projects Distance learning projects | Projects concerning location of jobs in NPP area through ICT Projects concerning distance learning | Number of projects | 1 |
| | | | Number of projects | 1 |
| Health service projects | Projects concerning access to health service | Number of projects | 3 | |
| 1.2 Access to information society | Information society issues | Projects concerning Information Society | Number of projects | 25 |
| | Studies on IT-access | Studies concerning IT-access | Number of studies | 12 |
| | New IT-based applications and solutions | IT-solutions and services that are new to the area concerned | Number of new solutions | 2 |
| | Establishment of virtual work places | Creation of (on-line) jobs in remote areas | Number of new jobs created | |

Annex 6 Priority 2 Strengthen sustainable economic development

| Measure | Indicator | Description | Indicator measurement | Number |
|--|---|--|---|-----------------------------------|
| 2.1 Sustainable use of nature and natural resources | Natural resources | Projects concerning natural protection and/or heritage | Number of projects | 2 |
| | Cultural heritage | Projects concerning cultural heritage management | Number of projects | 1 |
| | Combination of protective and commercial interests working together | Projects involving natural protection and commercial exploitation/use | Number of projects | 4 |
| | Diversified businesses | Enterprise or organisation that have extended their business in relation to natural resources | Number of diversified enterprises | 113 |
| | Local processing | Products or services that have been locally processed | Number of products/services | 80 |
| | Environmental management | SMEs undertaking environmental management (reducing environmental impacts/increasing efficiency of resources used, as a result of the project) | Number of SMEs undertaking environmental management | 211 |
| | Tourism | Common (nature based) tourism products | Number of new products | 39 |
| | Entrepreneurial training | Projects concerning entrepreneurial training | Number of projects | 1 |
| | 2.2 Business innovation and development of human resources | Business innovation | Projects concerning research, development and business innovation | Number of people trained in total |
| Number of men (>25) trained | | | | 20 |
| Number of women (>25) trained | | | | 46 |
| Number of young men (<25) trained | | | | 870 |
| Number of young women <25 trained | | | | 896 |
| Number of projects | | | | 5 |
| SME networks | | Transnational co-operation for SMEs regarding marketing and product development measures or other | Number of networks | 14 |
| Research and industry networks | | Transnational co-operation between research and industry | Number of countries involved | 8 |
| | | | Number of SMEs involved in total | 4 |
| | | | Number of SMEs owned by men (>25) | 24 |
| | | | Number of SMEs owned by women (>25) | 3 |
| | | | Number of SMEs owned by young (<25) women | 10 |
| | | | Number of networks | 8 |
| SME development | | New or diversified enterprises | Number of new enterprises | 97 |
| | Number of organisations taking up e-commerce | | 4 | |

Annex 7 Priority 3 Community development

| Measure | Indicator | Description | Indicator measurement | Number |
|---|---|--|---------------------------------------|--------|
| 3.1 Household related service | Studies on service provision | Studies concerning service in the NPP area, as a result of the project | Number of studies | 1 |
| | | | Number of communities involved | 6 |
| | | | Number of people involved | n/a |
| | New approaches to service provision | New or improved services, as a result of the project | Number of new services | 3 |
| | | | Number of improved services | 1 |
| | | | Number of people served | n/a |
| | Waste management | New ways of minimising, recycling and disposing of waste and minimising pollution | Number of studies | 1 |
| Number of demonstration projects | | | 10 | |
| 3.2 Public management and spatial planning | Co-operation projects on trans-boundary pollution | Projects focusing trans-boundary pollution | Number of projects | |
| | Local and regional participatory projects | Projects focusing local involvement in development planning | Number of projects | 5 |
| | New or improved local/regional planning tools/studies/documents | New planning tools for local and regional economic development and planning policy | Number of groups/communities involved | 79 |
| | | | Number of tools | 29 |
| | Urban-rural partnerships | Partnerships between urban and rural areas/organisations | Number of communities where tool used | 21 |
| | | | Number of new partnerships | 14 |
| | | | | |

Annex 8. SME involvement

| | Project Name | Private Sector Partner / Co-financer | Contribution in Euros | SME Involvement / Projected Outcomes | Outputs to Date |
|-----------|-----------------------------|--|-------------------------------|---|--|
| 1st Round | Community Learning Networks | None | | None specified | None Specified: Specifically focused on education sector. |
| | Roadex II | Metsaliito, Finland Stora-Enso, Finland Norwegian Haulage Association, Norway | 5000 15000 5000 | 5 complex partnerships involving regional working teams consisting of industry reps. | Meetings with regional engineers and hauliers. Interviews with experts. Complex partnerships in each partner area. 2 SMEs as partners. Hosting of visits by private business executives interested in innovative road solutions (tyre bail trials). |
| 2nd Round | Remedy | None | | None specified | Negotiations with companies in selecting and testing equipment for gerontechnology and telemedicine elements of project |
| | Northern Maritime Corridor | None | | Private transport sector target group. Clusters of 40 major partners among relevant industries, ports and transporters. Private sector consultation/negotiation throughout project phases | 40 key private sector partners involved. 10 key private sector partners in Russia. Indicators state 150 enterprises involved across project area. Scottish maritime cluster involves over 60 companies. Business meetings with 50 Russian companies. Intertrade event involving 235 business partners from seafood industry. |
| | Ecowatsa | None | | Outputs include 6 pilot projects involving complex partnerships | 1 enterprise involved. Invitations to tender sent out for software tool - 1 company chosen. |
| | Small Towns Network | None | | None specified | 30 enterprises involved. Marketing events held in co-operation with local enterprises. Local entrepreneurs involved in action groups in each partner area. |
| | Northern Berries | No SME partners but private funding in project: Koivuranta farmer, Finland Vapo, Finland Peat industry Andoytorv A/S (Dverberg, Norway) Peat industry Fossil A/S (Stordal, Norway) | 5000 10000 7250 7250 | Outputs include 1 new enterprise, 6 new production lines and entrepreneurial training for 60 people. There is evidence of complex partnership in each of the project areas | 9 enterprises involved. Info dissemination to local farmers. Finnish berry winery involved in product development. SMEs involved in jelly development and field trials. 6 meetings with peat industry to exchange info. |
| 3rd Round | SCRI | Kunnskaparken, Norway | 114950 | Outputs include complex partnerships involving SMEs, entrepreneurial training, business innovation, SME development and e-business | Awaiting an update |
| | SMART | Ramböll, Greenland ALMI Företagspartner, Sweden (semi-private) | 5000 8000 | Workshops will be held with tourism SMEs. Overall aim is to strengthen their position | 1 enterprise involved. Interviews held with pilot companies. |
| | Rural Business Women | None | | 60-80 SMEs involved. Aims include entrepreneurial training, SME development, product development, 6 SME networks, 25 business plans for new or diversified enterprises | 10 enterprises directly involved. 6 courses held & 12 activation events. On-going work with local entrepreneurs. |
| | External Timber Cladding | BSW Timber plc, Scotland James Jones & Sons Ltd, Scotland Aavatsmark Sag, Norway | 6725 6000 5000 | Outputs include 3 diversified businesses, new product development, 2 seminars for timber trade (involving 60 people) Private sector is main project target group. | 3 business enterprises directly involved in project. |
| | Northern Potential | None | | None specified | 1 enterprise directly participating. |
| | Profile | None | | Involves 23 enterprises across area. Outputs include 3 new business co-operation projects and creation of 6 new jobs. | 27 enterprises involved, including 8 in Russia. 2 Transnat seminars held, plus 1 in each country - focused on leadership skills. |
| | Destination Viking | None | | Outputs include 35 projects concerning entrepreneurial training and 8 projects involving commercial interests | 2 SMEs involved. 20 projects involving entrepreneurial training. 76 people trained. 14 jobs created/sustained. |

| | | | | | |
|--|-----------------------------|--|------------------------|---|--|
| 4th Round | PNASTINA | None | | Aims to involve 7 SMEs in the development of a natural resources industry in the area | 1st progress report not yet submitted. |
| | BRANDR | None | | Involves 8 SMEs in complex partnership | 18 business enterprises involved. Project idea presented to local companies. |
| | RUBIES | None | | SME focused project which aims to help SMEs overcome digital exclusion | 1st progress report not yet submitted. |
| | Youth Entrepreneur Factory | Tromso Science Park Ltd, Norway Confederation of Norwegian Businesses Nito Troms, Norway | 9600 18750 18750 | Overall aim to increase female entrepreneurship. Aims to create 90 new businesses & hold 1 major entrepreneurial conference | 1st progress report not yet submitted. |
| 5th Round | Cultural Community Business | None | | Project involves 2 business enterprises in a complex partnership. Project aims to forge links between private/public & voluntary sectors to form cultural community businesses. | 1st progress report not yet submitted. |
| | Our Life as Elderly | None | | Aim to investigate SME provision of services to elderly | 1st progress report not yet submitted. |
| | Nature Based Tourism | None | | Will involve over 100 SMEs from the tourism sector and produce regional reports on business development, aims to develop 12 new tourism products | 1st progress report not yet submitted. |
| | Usevenue | Kainuun Paroonit ry, Finland | 4500 | Involves 6 SMEs | 1st progress report not yet submitted. |
| Total Private Sector Contribution to Main Projects (in Euros) | | | 251775 | | |

Annex 9. MTE Action Plan

The Steering Group (SG) of the mid-term evaluation has reviewed the recommendations for future implementation put forward by mid-term evaluators.

The SG is in basic agreement with the recommendations. Comments are given to some of the recommendations.

The SG finds that none of the recommendations entail amendments of the CIP. Neither do they seem to entail any immediate adjustments of the Programme Complement.

The recommendations mainly concern issues that the PMC can decide on and delegate to the various bodies of then management structure to deal with.

The SG proposes that the responses to the various recommendations be compiled into an Action Plan, to be reviewed at subsequent PMC meeting.

In the following a first listing of responses to the recommendations is presented. It has been drawn up by the JPS and MA in consultation with the SG and contains activities already underway as well as activities planned or under consideration. The PMC is invited to give their comments and to suggest additional activities.

Draft Action Plan

1. *The chosen strategies and priorities should be adhered to in the remaining programme period.*

The SG agrees with the evaluators on this point

2. *Adhering to the chosen programme profile requires an increased emphasis on marketing the programme.*

The SG agrees with the evaluators. The JPS is in the process of creating an Information Action Plan (IAP) from a programme perspective that contains all information activities from different actors such as RCPs, RAGs, JPS, PA, MA and others. This will make it possible for JPS to coordinate all information activities for the benefit of the programme.

3. *The Community development priority should be given special attention in such an effort.*

The SG agrees with the evaluators. With the IAP, it will be possible to evaluate what information actions that are to be taken towards different target groups in the Northern Periphery Programme. The JPS will be responsible for the coordination of information activities, the evaluation of all information actions that are to be taken and ensure, at this stage, that special attention will be given to priority 3. The possibility to conduct thematic seminars regarding Community development or other priorities that need special attention will be explored as a matter of priority.

4. *The apparent move towards more 'ambitious' projects and partnerships as a programme orientation that should be pursued.*
5. *The evaluators are of the opinion, however, that this should be part of a two-pronged approach to the future implementation of the programme. Project quantity is still an*

issue that should be kept in mind. This is of special relevance to the Community Development priority.

The SG agrees with these recommendations. First priority is to increase the number of applications and quality aspects should be addressed alongside. The IAP will be a tool for directing the efforts of all programme actors towards these goals. It is the responsibility of the programme actors to ensure the high quality project standards are maintained in terms of European added value and the objectives and priorities of the Northern Periphery Programme.

6. The programme has room for improvement when it comes to strengthening private sector contribution to the programme. An increased focus on private sector involvement would likely strengthen the programmes ability to foster a 'Triple Helix' approach to partnership formation.

The SG agrees with the evaluators. The need and ways to increase private sector involvement has been discussed several times and more attention will be given to this issue in the future. Creative ways of involving the private sector need to be considered. By using and developing the identified nine key project themes established by the RCPs and other programme actors, pro-actively work will commence through the IAP to attract the private sector into the NPP projects. It has been experienced to date that many of the end-users involved in projects are small and medium-sized businesses.

- 7. The role of the Joint Secretariat and the Regional Contact Points needs to become more pro-active.*
- 8. RCP's needs to become more pro-active towards institutions representing project developer and implementation competence.*
- 9. The Joint Secretariat should become more active in following up projects in progress, and to focus even more on being a service apparatus, rather than a controlling apparatus. We do, however, acknowledge that there recently has been a movement towards being a more active part-taker.*

The SG agrees with these recommendations. The PMC has already decided (at the Savonlinna meeting) to strengthen pro-activity in programme implementation and a number of practical steps have been taken. Some of them are listed below.

The IAP will be a central tool in this work. It will make it possible for JPS to coordinate all actions in the future to meet the objectives and priorities of the programme. The IAP will also visualize other programme actors' information activities and by that it will be a knowledge exchange between actors within the programme. All actors will be evaluated on their activities and JPS will give their view on what additional activities the regions needs.

The JPS will develop a service routine with an informal contact after three months to establish if lead partners have been able to implement project activities at a project partner level. The service routine will also serve the purpose to create a further initiation of project delivery.

To date the proactive approach from JPS has resulted in:

- Pre assessing Preparatory and micro project ideas

- Becoming more service orientated in the project development from a technical application perspective.
- Pro-active approach in developing administrative routines at the secretariat and with MA/PA.
- Pro-active approach together with MA in setting up a system that will prevent the NPP to be affected by the de-commitment rules.
- Pro-active approach in developing the assessment of main project application by discussing the application with the applicants during the assessment. The JPS have resolved many outstanding questions before sending out the Technical Assessments to the RAGs and RCPs.
- A pro-active way of thinking while discussing the projects with the applicants. The JPS is trying to meet all errors at a stage where they haven't become a problem or a condition in a decision.
- Pro active participation in one partner seminar in Scotland
- Pro-active approach from JPS in setting up the two partenariats that will be held in Scotland and Norway.
- A Pro-active approach in building up knowledge exchange between RCPs and JPS (will take place in the Nairn partenariat).
- Pro-active role from JPS in setting up an information action plan (see above), a first draft with headlines will be presented at the PMC meeting in November.

10. It is important to improve the communication between the secretariat and the RCP's as well as the internal communication between the RCP's

The SG agrees with the evaluators. This question has already been addressed at several PMG and PMC meetings. The meeting of RAG chairs at Levi was the start to a formal knowledge exchange between different regions in the programme area. During the next partenariat in Nairn, RCPs will exchange best practise of marketing activities of the NPP. This is one item that will be highlighted in the IAP.

11 It is important that as many participants in a partnership as possible are involved in the initiation phase of a project. This is of special importance to secure ownership to goals concerning transnational learning.

The SG agrees with the evaluators. The JPS will encourage the early establishment of partner cooperation in the initiation phase of projects through tools like Micro projects, preparatory projects and also by encouraging personal meetings when the partnership is being created.

12 In partnerships the technical competence of implementing and organising projects vary. It's therefore of importance that those partners representing the experience of these skills transfers this knowledge to the "newcomers". This is a method for securing development competence for the future.

The SG agrees with the evaluators. The information action plan will include partner seminars arranged by JPS and PA where information and illustrations of best practices of transfer skills and knowledge will be given to newcomers. Information sources will be included and information will be given regarding setting up a project partnership at a preparatory phase or even for a preparatory project.

13 Resources at the partnership/project level needs to be directed at this process of learning.

The SG agrees that resources are needed to support the learning process. This requires pro-activeness in partner seminars before projects are developed and in the implementation phase of the projects, see point 12 and 9. It should also be discussed whether it is needed/possible to set aside resources/funds for this purpose in project budgets.

14 Methods for comparative learning processes at the transnational level should be outlined early on in the project.

The SG agrees on this. It needs to be developed by the JPS, which have already come up with the idea of building in a mentoring system in the partnership with a mix of experienced partners and newcomers (see point 12).

15 It is important to recruit partners with competence and experience in both networking and project-methodology as well as project implementation. It will therefore be vital to involve and activate regional development and scientific institutions better in the programme.

The SG agrees with the recommendation to build in competence and experience in both networking and project-methodology as well as project implementation, The SG cannot agree on that involvement from regional development and scientific institutions will be the solution to get more experienced project partners to the programme. The SG did agree on the benefit from and importance of activating these groups in this programme.

16 In addition to this, one might make use of institutions already involved in business development programmes, which has as goal to stimulate the R&D dimension.

The SG agrees on this, but sees also in this case a need to discuss the form and ways of involvement (see also point 6).