



EUROPEAN COMMISSION

Observations on the Partnership Agreement with the Republic of Finland

PART I

Introduction

The observations set out below have been made within the framework of the Common Provisions Regulation (CPR) and the fund-specific regulations¹. The observations take into account the 2013 Country-specific Recommendations² (CSR) adopted by the Council on 9 July 2013 and are based on the Commission Services' Position Paper (CPP) for the use of the European Structural and Investment (ESI) Funds in 2014-2020.

The observations address issues based on the Partnership Agreement submitted by the Republic of Finland on 17 February 2014.

The observations are presented following the structure of the Partnership Agreement as laid out in the template. The most critical issues for the Commission are noted in Part I.

1. Assessment of Member State policy objectives

- (1) The Partnership Agreement is a framework document that sets out clear political commitments to the strategic goals to address the key challenges identified by the Europe 2020 strategy, the CSRs and the National Reform Programme (NRP). It defines a framework for achieving the maximum European value added of the European Structural and Investment Funds (ESIF) investments in Finland for 2014-2020 by addressing the bottlenecks hampering growth and by pursuing an ambitious development strategy enabling enhanced long-term competitiveness of the Finnish economy and further reducing regional disparities. By establishing strong links between ESIF interventions, the NRP and the strategic development vision of Finland, cohesion policy can deliver a positive impact in reaching the Europe 2020 targets set for Finland.
- (2) The Commission appreciates the Finnish authorities' commitment to the renewed cohesion policy with its alignment to the Europe 2020 objectives of smart, sustainable and inclusive growth and its orientation to achievement of higher impact and results through clear focusing of investments. The Finnish Partnership Agreement demonstrates the efforts of Finland to clearly focus the ESIF investments on achieving the national Europe 2020 targets and on enhancing productivity, competitiveness, diversification and de-carbonisation of economic structure, on

¹ OJ L347 Volume 56, 20.12.2013: <http://eur-lex.europa.eu/JOHtml.do?uri=OJ:L:2013:347:SOM:EN:HTML>

² (<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2013:217:FULL:EN:PDF>) its supporting analysis (SWD) (http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/index_en.htm)

broadening the innovation base, and on increasing the participation of youth, long-term unemployed and older workers in the labour market, together with measures for supporting education and social inclusion.

- (3) With regard to Thematic Objective (TO) 2 (Enhancing access to, and use and quality of information and communication technologies (ICT)(Broadband target) the Commission agrees that the European Agricultural Fund for Rural Development (EAFRD) can be used for financing broadband projects in sparsely populated rural areas (Table 1.4.1, TO2). The succinct description of actions under Thematic TO2 in Section 1.3 is adequate provided that the modalities of such support, if given, will be laid out in the Rural Development Programme Mainland Finland 2014-2020.

2. Financial allocation proposed by Member State

- (4) Taking into account the need to optimise the leverage effect of funding, the Commission asks Finland to identify in which priority axes in the Operational Programmes (OPs) it intends to modulate the co-financing rates in accordance with Article 121 of the CPR and recalls that as set by Art. 120 of the CPR, the co-financing rate is to be determined on a case-by-case basis and the maximum co-financing rates should not always be applied to their full extent.
- (5) The submitted Partnership Agreement does not contain sufficient data to assess its conformity with Articles 20, 21 and 22 of the CPR related to the performance reserve. This shall be included and ensured prior to Partnership Agreement approval.
- (6) The submitted Partnership Agreement does not contain sufficient data to assess its conformity with Article 4 CPR related to the limits for the allocations to the Technical assistance and this shall be included and ensured prior to the Partnership Agreement approval.
- (7) The financial tables 1.4. and 1.10. are not fully compatible with the overall financial allocations of the approved envelopes for 2014-2020 for Finland. This must be corrected before approval of the Partnership Agreement.
- (8) The 5 % indicative European Regional Development Fund (ERDF) allocation at national level to sustainable urban development must be respected. The current figure of EUR 39 300 000 is not fulfilling the required level.
- (9) For the EAFRD the financial allocations in the Partnership Agreement must be coherent with the financial allocation set in Annex I of the Rural Development Regulation.

3. Cross-cutting policy issues and effective implementation

Nil.

4. Other critical issues

- (10) The Commission disagrees with Finland's self-assessment with regard to the following *ex-ante* conditionalities (EACs):
 - A.1-1. Research and innovation, the criteria: 'a national or regional smart specialisation strategy is in place' is not fulfilled.
 - A.1-2. Research and innovation infrastructure: budgeting and prioritisation of investments is missing.

Concerning the EACs requiring an action plan to fulfil them, the Commission reserves its final assessment on the possible significant prejudice to the effectiveness and efficiency of achieving the specific objectives until the time when the programmes have been submitted and all necessary information is available.

- (11) In the current version of the Partnership Agreement, even if partnership mechanisms are described well, the main added value of partnership is not described sufficiently. Furthermore, recommendations of partners and how they have influenced the final product have not been analysed. These elements need to be included in the final version of the Partnership Agreement.
- (12) In the current version of the Partnership Agreement, Section 2.3 on Performance Frameworks is not yet complete. The Partnership Agreement has to contain an overview of how consistency in the functioning of the performance frameworks is ensured across programmes and ESI Funds (Article 15(1)(b)(iv) of the CPR). This may include guidance provided at national level for the preparation of the performance frameworks to ensure a consistent approach or an existing framework establishing rules and principles on setting of milestones and targets fulfilling this function for the ESI Funds. As a minimum, the Partnership Agreement should indicate:
 - the body responsible to assess consistency,
 - when and how the information has been or will be assessed, and
 - the relevant results of the *ex-ante* evaluations.

The aim is to ensure consistency and coherence in particular across similar priorities in different programmes, as well as across similar interventions financed by different funds, taking account of fund-specific rules.

Any monitoring mechanisms designed to ensure early detection of potential performance issues and the system for the follow-up of detected issues may also be included.

The Partnership Agreement does not have to include the actual performance frameworks themselves. In any case, performance frameworks can only be constructed once OPs are finalised or nearly finalised.

PART II - FURTHER OBSERVATIONS

- (13) To ensure comparability, European Statistical System (ESS) statistics should be used to support the needs analysis. In case the necessary data is not available at EU level, links to similar ESS statistic datasets should be provided in addition to the national data sources.

It is crucial that territorial analysis on sub-national level makes use of the harmonised spatial definitions (e.g. NUTS)³. Urban and rural⁴, coastal⁵ and metropolitan regions⁶ referred to in the analysis should also be delineated according to the harmonised definitions.

- (14) A much stronger link to Green Infrastructure (GI), as described in the Commission Communication of 2013⁷ is necessary in the Partnership Agreement. It would be useful to explain which of the measures contribute to realising GI. This concerns in particular the agri-environmental-climatic measure in the Rural Development Programme and other ESI Funds where applicable.
- (15) The national versus regional dimension is partly covered by reference to regional council plans (2014-2017) but a short specification on how the national/regional dimensions are to be implemented is necessary in the Partnership Agreement.
- (16) Financial instruments (FIs) are mentioned in the intervention logic table (Table 5), but further explanations of its use are largely missing. Finland should add explanation on why they will not use FIs especially in the agricultural sector.
- (17) The Commission welcomes the planned focus of the ESIF investments to the achievement of Finland's national Europe 2020 targets. The Partnership Agreement should also mention that ESIF investments contribute to the implementation of relevant CSRs.

1.1. Analysis of disparities, development needs, and growth potentials with reference to the Thematic Objectives and the territorial challenges

- (18) The analysis section needs some improvements, in particular a more detailed analysis on energy efficiency aspects would be useful (especially since there is a CSR in this area: 'continue to improve the overall energy efficiency in the economy').
- (19) Chapter 1 of the Partnership Agreement does not include analysis on specific urban challenges and needs in order to have a clear basis for and a link with Chapter 3.3

³ http://epp.eurostat.ec.europa.eu/portal/page/portal/nuts_nomenclature/introduction

⁴ http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Glossary:Urban-rural_typology

⁵ http://epp.eurostat.ec.europa.eu/portal/page/portal/maritime_coastal_regions/introduction

⁶ http://epp.eurostat.ec.europa.eu/portal/page/portal/region_cities/metropolitan_regions

⁷ COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS Green Infrastructure (GI) — Enhancing Europe's Natural Capital (COM/2013/0249 final).

Sustainable urban development. This analysis should be included and draw from relevant urban strategies.

1.2. Summary of *ex-ante* evaluation

- (20) The *ex-ante* evaluations must also cover the consistency of financial allocation with objectives and desired change. Therefore, the consistency of the financial allocations needs to be analysed more extensively in the chapter dedicated to the *ex-ante* evaluation. Also, the *ex-ante* evaluation needs to present a clear opinion whether the financial allocation is sufficient to achieve the objectives and desired change.
- (21) The *ex-ante* evaluation highlights coordination problems between the national and ESIF-financed operations as well as between ministries. The Partnership Agreement text should clarify if the situation has now been improved.

1.3. Selected thematic objectives and investment priorities

- (22) The strategic approach must be further emphasised; the existing resources and actions need to be considered in a more detailed way in terms of developing or strengthening existing strategies, and supporting actions foreseen in them.
- (23) The expected results sections are quite general for research and innovation and support for SMEs. It is not very clear how or in what sectors 'diversification of industry' (of innovative products, services and high-growth companies) will be achieved – this is one of Finland's CSRs. Furthermore, regarding the shift to low carbon economy/climate change adaptation/resource efficiency – more detail on actual expected results is needed. The same applies also to EAFRD: present description of desired results does not specify actions in sufficient detail.
- (24) Experiences and lessons learned from 2007-2013 programming period are not sufficiently highlighted. There is not much on actual expected results. These areas need improvement.
- (25) Financial allocation per thematic objective must be better justified in relevant chapters.

Thematic Objective 1: Strengthening research, technological development and innovation

(26) The additional document ('Smart specialisation in Finland') provides basic explanations on the relationships and on the selected specialisation areas nationally and gives preliminary basic indication of the regional choices which are presented in the regional strategies/plans. This synthesis document needs to be further developed as explained under the heading EAC for A.1-1 Research and Innovation. In addition, a brief summary and a reference to document 'Smart specialisation in Finland' needs to be presented in the body of the text of the Partnership Agreement. In particular, the following points should be explained:

1. Include clear priority areas for investment and clarify how the prioritisation has been carried out, based on SWOT (Strengths, weaknesses, opportunities and threats) analysis which should also be included in the text.
2. Include more details on the proposed policy mix and in particular explain how private investments are stimulated.

3. Provide more details on the involvement of innovation actors, including business representatives, and the result of this process on priority setting/elimination.
- (27) The priorities that have been identified in the national and/or regional smart specialisation strategies based on the bottom-up entrepreneurship discovery process need to be mentioned in the text. For example, if 'key enabling technologies (KETs)' were also identified as a priority in this bottom-up process, then they are to be mentioned in the Partnership Agreement.
 - (28) The opportunities for ESI Funds to support the research infrastructures of European interest under European Strategy Forum on Research Infrastructures (ESFRI) should be highlighted in the Partnership Agreement, along with the key projects in which Finland is involved.
 - (29) Please make reference also to:
 - a. the European Research Area (ERA) priorities, notably the internationalisation of the Finnish higher education sector and enhanced public-private linkages;
 - b. research, development and innovation related to climate change mitigation and adaptation.
 - (30) The mechanism to turn knowledge into products needs to be described in greater detail for all priorities identified. For example, for agriculture the Partnership Agreement could illustrate how agrifood research is taken to a practical and commercially exploitable level.
 - (31) Furthermore, the text of the Partnership Agreement needs to demonstrate that synergies and effective coordination is ensured with relevant European funds and initiatives (such as European Innovation Partnerships (EIP), Knowledge and Innovation Communities (KICs), Joint Technology Initiatives (JTIs), Public Private Partnerships (PPPs) and Public-Public Partnerships (Joint Programming Initiatives, ERA-NET, Art. 185 initiatives). For example the role of EIP 'Agricultural Productivity and Sustainability' must be added and its role clarified.

Thematic Objective 2: Information and communication technologies

- (32) The objectives of the Digital Agenda include having 30 Mbit/s broadband available to all Europeans by 2020 and to have 50 % or more European households subscribed to internet connections of at least 100 Mbps. The current version of the Partnership Agreement acknowledges only the first part of the objective with reference to 30 Mbit/s broadband and needs to be broadened to cover also the objective of 100 Mbps with a footnote reference to the Digital Agenda (COM(2010) 245 final/2).

Thematic Objective 3: Enhancing the competitiveness of small- and medium-sized enterprises (SMEs)

- (33) The Partnership Agreement needs to explain how quality is promoted in agriculture production without the Regional Development Programme (RDP) quality measure. A reference to dedicated training and advisory and investments to produce quality would appear sufficient to address the issue.
- (34) A clearer link to the need to address small-scale farming structures with cooperation and explicitly include investments in joint production/processing as a tool is

necessary. 'Cooperation in agriculture' needs to be mentioned explicitly as a development goal.

- (35) The Partnership Agreement needs to mention explicitly the role of cooperation between small farms and processors in increasing competition.

In relation to ERDF transport investments under TO3:

- (36) The description of the 'as-is' situation with regard to transport is brief and lacks any figures to back the statements about long distances and adverse climatic conditions, increasing transport costs for businesses located in Eastern and Northern Finland and adversely affecting their competitiveness. There are also no details on bottlenecks, coordination problems, or transport emissions.
- (37) The Finnish Partnership Agreement gives a strong impression that under TO3, objectives that are not in line with TO3 but would fit better with TO7 will be pursued, namely improved accessibility and elimination of transport bottlenecks, development of major transport corridors, sustainable transport, logistics systems and links to Trans-European Transport Networks (TEN-T) , i.e. support for self-standing transport infrastructure.
- (38) If Finland still wants to use the TO3 for the planned transport infrastructure investments, the text in the relevant parts of the Partnership Agreement must be modified to be coherent with the following:

Support under thematic objective 3 should contribute to enhancing the competitiveness of SMEs, as defined in Article 2(28) CPR, i.e. aid has to focus on enterprises and the result indicators also have to relate directly to the impact on these enterprises. Investment into the construction or upgrading of any public infrastructure under this TO is therefore not a priority and, if foreseen at all, can only be ancillary in nature i.e. limited in scope, necessary for the achievement of a specific objective and intrinsically linked to the intervention logic of the selected operation.

Thematic Objective 4: Supporting shift to low-carbon economy in all sectors

- (39) For renewable energy, it is not clear what will be the role of the ERDF and the EAFRD respectively. Also, since there is a focus on research, technological development and innovation (RTDI), a reference to the links with the SET Plan (European Strategic Energy Technology Plan) would be useful.
- (40) Targeted ways promoting energy efficiency in agriculture (including building improvement) needs to be elaborated.
- (41) In Table 5, there is a reference to low-carbon transport systems, while transport does not appear in the main text of Section 1.3.3. This needs to be clarified. If investment in this area is envisaged in the context of TO4, i.e. related to promotion of low-carbon strategies, including promotion of sustainable multimodal urban mobility, the Partnership Agreement needs to be clearer on what is planned under ERDF.
- (42) In the area of TO4, complementarity with national support schemes will be crucial, and needs to be described. Moreover, depending on exactly what is foreseen, the use

of financial instruments might be usefully considered for many of the investments in this area, but there is no reference to the form of support envisaged.

Thematic Objective 5: Promoting climate change adaptation, risk prevention and management

- (43) In the text of Section 1.3.3 and in Table 5, there are references to challenges, development objectives and results / measures listed under TO5 which belong to TO4: climate change mitigation (i.e. measures to reduce greenhouse gas emissions) should be under TO4 and climate change adaptation under TO5.
- (44) Altogether, TO5 needs to better address climate change adaptation, risk prevention and management actions.
- (45) TO5 should refer to support for actions identified in the national adaptation strategy of 2005 respectively its revision that was foreseen for 2013.

Thematic Objective 6: Preserving and protecting the environment and promoting resource efficiency

- (46) Finland is one of the mid-performing Member States (MS) in relation to material recycling. Finland is the only MS where material recycling has recently decreased (from 27 % in 2001 to 19 % in 2010). We would therefore suggest that Finland looks into how the themes of recycling and waste prevention/re-use could be addressed (or better described) under thematic objectives of innovation (TO1) and competitiveness (TO3).
- (47) Pesticides and herbicides are not mentioned in the Partnership Agreement and therefore some reference needs to be added.
- (48) Both the descriptive and results part are vague on eco-innovations as well as on resource efficiency and need to be made more specific.

Thematic Objective 8: Promoting sustainable and quality employment and supporting labour mobility

- (49) The descriptive part of Chapter 1.1 concentrating on unemployment should make specific reference to the EAFRD resources for diversification and start-ups. The description does not take self-employment into account as a means of providing job opportunities.
- (50) It is important that EURES activities and development of EURES are mentioned in the Partnership Agreement in order to ensure EURES funding for 2014-2020. The Partnership Agreement must also describe better how EURES services in Finland will be used to support labour mobility. If Finland plans to enlarge the scope of EURES services (especially to employers), it has to be mentioned in the document.

Thematic Objective 9: Promoting social inclusion, combating poverty and any discrimination

- (51) The descriptive part of the Partnership Agreement needs to also mention the role of the EAFRD to improve social inclusion using the Community-led local development (CLLD) approach.
- (52) The possibilities of LEADER (European Union initiative for rural development) to help combating poverty and exclusion in cooperation with other funds must be

explored and explicitly recorded in the Partnership Agreement with a clear reference to LEADER.

Thematic Objective 10: Investing in education, training and vocational training for skills and lifelong learning

- (53) As for education and skills, the Partnership Agreement must mention the needs of farmers and the rural population specifically and relate them to the importance of improving business skills (also in cooperation and processing) and to environmental and climate change issues in farming.
- (54) Training actions financed by EAFRD need to be targeted to address the noted weaknesses and needs (such as lack of diversification and overcoming small-scale structures). This link between the needs and actions is still unclear. The descriptive part needs to target training efforts specifically towards the identified problems (small-scale structures, lack of cooperation, development of processing knowledge, transfer of research results to farm level).

1.5.3. Sustainable development (with reference to Article 8 CPR)

- (55) The Section 1.5.3 on 'sustainable development' still needs to be improved: it has to be much clearer and more concrete, in particular highlighting the concrete planned actions to integrate sustainability aspects across the whole programme. All the elements (environment, resource efficiency, climate change mitigation and adaptation, biodiversity and ecosystem protection, disaster resilience and risk prevention and management) should be taken into account. The Partnership Agreement does not specify how this will be done, and what trade-offs (e.g. between human well-being and environment) are acceptable. Some more information on this approach is necessary.
- (56) The description does not go beyond stating the links between sustainable development and the various thematic objectives; instead it should provide information on how the horizontal principle of sustainable development will be integrated.

1.5.4. Horizontal policy objectives

- (57) According to Article 9.2 of the European Social Fund (ESF) Regulation, 'the ESF shall promote social innovation within all areas falling under its scope'. Even if social innovations will be discussed more thoroughly in the OP, the Partnership Agreement should give an overview on how Finland will respond to this requirement set by the Regulation.

2.1. Arrangements ensuring coordination between the ESI Funds and other Union and national funding instruments and with the European Investment Bank.

- (58) Given the substantial support from the EAFRD for the ESF-related activities/thematic objectives, it is important to ensure close cooperation mechanisms and efficient exchange of information between the ESF and the EAFRD and to describe them in the Partnership Agreement.
- (59) In order to underline the scope for synergies with specific instruments under Horizon 2020, and in line with the priorities relating to research and innovation of the Common Strategic Framework annexed to the CPR, the text of the Partnership Agreement in Section 2.1, concerning Horizon 2020 should also include reference to

possible complementarities as appropriate. Moreover, complementarities between the Erasmus+ Programme and ESI Funds would require more in-depth analysis.

- (60) The table in Chapter 2.1.2 includes a reference to the LIFE programme. However it is very brief and needs to provide specific information as to the way complementarity is intended to be ensured (arrangements, coordination efforts).
- (61) Horizon 2020's contribution to rural development must be further acknowledged.
- (62) The complementarity with the Asylum Migration and Integration Fund should be more clearly indicated and ensured by a coordination mechanism.

2.3. Summary of the assessment of the fulfilment of applicable EACs in accordance with Article 19 and Annex (XI) at national level

- (63) The Commission notes that the assessment of the fulfilment of some EACs is incomplete and to some extent unclear. Clarification is needed on which part of the assessment of EACs covers the whole country, including or excluding Åland. If the assessment does not cover the Åland Islands, for the EAFRD-specific EACs for the Åland Islands the fulfilment criteria information needs to be added. The given numbering for the EACs and their subcategories must be respected. In case of non-fulfilment or partial fulfilment, an action plan must be envisaged.
- (64) Furthermore, for the EAFRD-specific EACs, it needs to be indicated (e.g. in the last column 'Explanations' of the self-assessment table) that the applicable national legal acts will be revised in 2015 following the entry into force of the new baseline requirements under the Common agricultural policy (CAP) reform.
- (65) EAC on results no. 7 on statistics and result indicators: Reference to the EAC on result indicators is made, however the fulfilment of the EAC can only be assessed in the OPs.

(66) The EAC for A.1-1: Research and innovation

This EAC is still missing an essential element required in Annex XI, Part 1 of the CPR: there is no reference (or explanation/link where it can be found) to the criterion: 'framework outlining available budgetary resources for research and innovation has been adopted'. The original decision or direct link to it needs to be presented in the Partnership Agreement.

The Smart Specialisation Finland synthesis document needs to be further developed to meet the relevant EAC. In particular, it needs to:

1. Explain the status of the document and the period for which it is valid.
2. Explain how the current work on the National Innovation Strategy for 2014-2020 relates to this Smart Specialisation Strategy. Explain the expected contribution/complementarity of each of the elements that are part of the smart specialisation of Finland to the delivery of the Smart Specialisation Strategy (in particular Innovative Cities versus regional activities).
3. Include more elaborated SWOT analysis.

4. Explain how it relates to the priority setting with regard to the regional smart specialisation strategies and provide more information about these regional strategies.
5. Include clearer and more concrete priorities.
6. Explain better how the 'bottom-up' engagement of stakeholders has been carried out.
7. Include more details on the planned policy mix and in particular on what concrete measures will be undertaken to stimulate private research and innovation (R&I) investments. Clarification is also needed in how far the measures foreseen are oriented towards concrete business needs in smart specialisation areas. The experience of the current R&I initiatives should also feed in a more elaborated way into the analysis.
8. Include description of the specific arrangements foreseen for monitoring of the implementation of the Smart Specialisation Strategy.

(67) The EAC for A.1-2: Research and innovation infrastructure

The Research Infrastructure Strategy 2014-2020 needs to be further developed to meet the relevant *ex-ante* conditionality. In particular, the document needs to:

1. explain how the prioritisation responds to the needs identified in the smart specialisation strategy;
2. include a complete, exhaustive presentation of allocations that would cover the whole programming period since they cannot be found.

2.5. Administrative capacity of the beneficiaries

- (68) The Partnership Agreement does not explain, whether there is a need to build administrative capacity of the beneficiaries and which actions will be undertaken in this regard, as stipulated in Article 15(5)(b) CPR.
- (69) Article 125(4)(c) CPR obliges managing authorities to put in place effective and proportionate anti-fraud measures taking into account the risks identified. The commitment to take a proactive, structured and targeted approach to managing the risk of fraud could be expressed in what is currently Chapter 2.4.

2.6. Governance and reduction of administrative burden

- (70) The element that is still missing from the Partnership Agreement and which is required by Article 15(1)(b)(vi) CPR is: '*indicative timetable* for achievement of a reduction in the administrative burden on beneficiaries'. Finnish authorities are invited to clarify if the actions listed are planned to be implemented in the beginning of the programming period or whether there are certain milestones or phasing foreseen (e.g. concerning the IT applications).

3.1.3. Sustainable urban development under Article 7 ERDF Regulation through an Integrated Territorial Investment (ITI)

- (71) Chapter 3.3, sustainable urban development under ERDF Article 7 should draw from the aforementioned analysis requested for Chapter 1, and be clarified with the following information.
1. The principles applied for selecting the six cities and their ITI strategy to implement Article 7 requirements (i.e. the competition organised and selection of strategies).
 2. The TOs to which this ITI strategy will contribute (TOs in accordance with Article 9 CPR).
 3. The Partnership Agreement should make it clear that the joint ITI strategy is based on underlying integrated strategies developed in each of the participating cities. The underlying urban strategies must cover at least the areas indicated in ERDF Article 7 (the economic, environmental, climate, social and demographic challenges). We would also like to stress that actions to be supported under ERDF Article 7 should not be proposed and funded in isolation from each other but be developed within the context of the strategy, and respond in a coherent and integrated manner to the problems identified by the urban areas concerned.
 4. Clarification is required under decision-making arrangements that the six cities have voluntarily pooled their decision-making power based on ERDF Article 7, concerning selection of operations under the joint ITI strategy.
 5. Clarification is required on how the share of the ESF in the integrated urban actions will be coordinated with the ERDF, which is not clear on the basis of the ITI decision-making arrangements.
 6. In addition, we would like to refer to the Partnership Agreement guidelines point 3.1.2 on ITIs, which requests information on 'coordination arrangements between ESI Funds and managing authorities and arrangements for the delegation of management and implementation tasks of an ITI'.

3.1.4. European Union Strategy for the Baltic Sea Region (EUSBSR)

- (72) Blue growth and maritime policy implementation should be added to the areas of interest of the EUSBSR and transnational and interregional cooperation.

Editorial and technical comments:

- (73) The consistency of the financial data across whole documents shall be ensured prior to the Partnership Agreement approval.
- (74) The names of other EU funding instruments in Section 2.1.2 shall be modified into the following: LIFE (instead of LIFE +); Erasmus + (instead of Erasmus for All); Employment and Social Innovation (EaSI) Programme (instead of Programme for Social Change and Innovation pSCI).
- (75) The Commission points out that the Partnership Agreement does not follow the given template (reference numbers do not always respect the latest Partnership Agreement template). This must be corrected in the next version.
- (76) The following tables are missing or incorrect: 1.4.3, 1.4.5, 1.6, 1.10. and 2.2. and must be included and/or corrected in the next version of the Partnership Agreement.
- (77) There is still a reference to the 2012 CSR and it should be updated to refer to the 2013 CSR (Section 1.1 Challenge: Widening of Research and innovation base, first chapter). The reference to the part of CSR 5 related to energy efficiency, is outdated and its wording does not correspond to the final 2013 CSR 5 for Finland.
- (78) The only official version of the Partnership Agreement is the one submitted via the SFC2014 and therefore it needs to be complete. At the moment this is not the case as regards for example a key reference to the National Education and Research Development Plan in the Finnish self-assessment on the fulfilment of the EAC on 'Investing in education, training and vocational training for skills and lifelong learning' or Åland's self-assessment on the fulfilment of the EACs on research and innovation and life-long learning.
- (79) 'The total indicative amount envisaged for climate change objectives' required by Article 15(1)(a)(iv) CPR needs to be provided based on the methodology for climate change support laid down in Commission Implementing Regulation (EU) No 215/2014⁸. The political objective of reaching at least 20 % climate related expenditure should be preserved also at OP level.

⁸ <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0215&qid=1395935292482&from=EN>