ANNEX X

Model for the implementation reports for the European territorial cooperation goal

PART A - DATA REQUIRED EVERY YEAR ("LIGHT REPORTS") (Article 50(2) of Regulation (EU) No 1303/2013)

1. IDENTIFICATION OF THE ANNUAL/FINAL IMPLEMENTATION REPORT

CCI	*2014 TC 16 RF TN 006*
Title	*Cooperation Programme Interreg North-West Europe 2014-2020*
Version	*1*
Reporting year	*2016*
Date of approval of the report by the monitoring committee	*27 June 2017*

2. OVERVIEW OF THE IMPLEMENTATION OF THE COOPERATION PROGRAMME (ARTICLE 50(2) OF REGULATION (EU) NO 1303/2013 AND ARTICLE 14(3)(A) OF REGULATION (EU) NO 1299/2013)

Key information on the implementation of the cooperation Programme for the year concerned, including on financial instruments, with relation to the financial and indicator data.

The year 2016 marked the first implementation year of the NWE projects. The Monitoring Committee meetings (Dusseldorf, 23-25 February 2016 and Mainz on 13-15 September 2016) approved 9 step 2 projects from the initial 85 step 1 applications of call 1(Dusseldorf MC) and 8 step 2 projects out of 86 step 1 bids of call 2 (Mainz MC). After approval, the call 1 and 2 projects began delivering their actions and investments.

In parallel to the step 2 approval and implementation, the step 1 project development and selection continued, with the third call for proposals closed on 27 May 2016 and call 4 closed on 18 November 2016. The Mainz MC selected 17 step 1 projects, 5 under Priority 1, 8 under Priority 2 and 4 under Priority 3. These projects received substantial development support provided by both the JS and the Contact Point network before the step 2 submission. They will however be further elaborated on in the next AIR, since the two-step selection process for call 3 and 4 was completed in the next reporting period.

Apart from the project selection, MC discussed the closure of the previous IVB NWE Programme 2007-2013, the designation process, state aid issues, contractual arrangements (e.g. subsidy contract), the evaluation plan, budget monitoring and strategic programme issues. One MC meeting was specifically dedicated to programme monitoring and management (25 May 2016, Brussels).

The key information about the thematic developments per priority, taking into account the fully approved projects, is presented below with complementary information included in sections 3.1 and 9.1 of this report.

Priority 1 (Innovation) attracted the highest number of applications by end 2016 (app. 50% of the project applications received, with a similar percentage of all applications received per call). The submitted projects corresponded mainly to the ToA1 (Building the capacity of regions and territories to improve their innovation performance) or ToA2 (Improving the competitiveness of enterprises), with the health

and food sectors as focus, addressed by approximately 30% of all applications in innovation. Social innovation (ToA3) was also popular with 33 projects submitted, representing 22% of all Priority 1 applications in the first 4 calls. Since call 3, the call Terms of Reference also mentions the fact that NWE is interested in receiving projects addressing the migration challenge, which will be elaborated in future reports due to greater time relevance. Nevertheless, as by the end of 2016, the Programme approved 3 projects under ToA1 (Boost4Health, eMEN and BE-GOOD) and 3 projects under ToA2 (BioBase4SME, ASPECT and QCAP). Despite high interest, no projects were approved under ToA3 (Social innovation) which makes the Priority 1 delivery to date unbalanced.

Priority 2 (Low carbon) received a similar number of applications in calls 1 and 2, but a severe drop of more than 50% was observed in call 4. Variations per specific objective were constant throughout the first calls in all SOs of Priority 2, with the SO4 (Transnational low-carbon solutions in transport systems to reduce GHG emissions) clearly standing out as the weakest, with only 3 submitted projects in call 4. Despite this strong decrease in that call, transport still represents 34 % of all applications received, which remains high. As far as the other two specific objectives are concerned (SO2 – low-carbon, energy and climate protection strategies to reduce GHG emissions and SO3 – uptake of low-carbon technologies, products, processes and services in sectors with high energy saving potential), energy efficiency and energy supply projects have been the most common, representing over 40% of the total of projects submitted in this priority.

By the end of 2016, the Specific Objective 2 of Priority 2, resulted in the total of 4 projects approved. The SO, encompassing two types of actions (TO4 – implementation of low-carbon, energy and climate protection strategies and ToA5 - Implementing combined mitigation and adaptation solutions), was unbalanced due to no projects approved in the ToA5 and 4 projects approved in ToA4 (ACE-Retrofitting, CAN, E=0, HeatNetNWE). Specific Objective 3 consisting of only one type of action (ToA6 - Implementing low carbon technologies and other solutions) had only 1 project approved (FORESEA). Specific Objective 4, encompassing two types of actions (ToA7- Transnational solutions for low carbon transport systems and ToA8 - Solutions for optimised traffic management) had only one project approved under ToA7 - CHIPS. Due to the fact that the two types of actions (ToA5 and ToA8) had not been addressed by any approved projects of the Priority 2, the priority remains unbalanced despite the highest number of projects approved to date across the Cooperation Programme.

Priority 3 (Resource efficiency) has followed the general programme trend in terms of applications received, with a much lower number of them submitted in call 4. Projects addressing the reuse of materials (textile, paint, various types of waste) were the most numerous. Until end December 2016, 4 projects were approved under the single ToA9 (AFTB, Fibersort, Food Heroes and RE-DIRECT).

By the end of December 2016, the Programme approved 16 projects, with the budget allocation amounting to 58 million EUR of ERDF. No tangible contribution towards the Programme indicator framework can yet be reported (the Programme will report on completed outputs in due course), however substantial progress in key implementation steps (number of projects approved) is presented in the performance framework table (Table 3, Section 3).

To tackle the issues horizontal to all projects submitted to the Programme and thematic priorities of NWE, NWE reinforced the contents of the Project Idea Labs (for step 1) and the step 2 applicant workshops, where clear information was provided about the definitions and tangible examples of project results and their quantification, change on the territory, long-term-effects and value for money. In addition, each project benefitted from tailored made advice at step 1 and 2 of the application process, via direct contact with the CP network and JS officers as well as workshops held with individual projects in the step 2 applicant events. Moreover, the programme reviewed the application form template to highlight the importance of the project relevance, territorial analysis and the programme indicators and provide more information space for applicants. Furthermore, the CP/JS understanding of the terminology used by the programme as well as the requirements for the individual sections of the application form were streamlined in the coordination meeting held on 27 April 2016 in Lille.

3. IMPLEMENTATION OF THE PRIORITY AXIS (ARTICLE 50(2) OF REGULATION (EU) NO 1303/2013)

3.1. Overview of the implementation

ID	Priority axis	Key information on the implementation of the priority axis with reference to key developments, significant problems and steps taken to address these problems
1	*INNOVATION*	*The step 2 development process for call 1 Priority 1 projects was smooth in 2016. The quality of bids visibly improved when compared to step 1 applications, which resulted in 5 projects approved by the Monitoring Committee 3 in Dusseldorf on 23-25Feb 2016 (ASPECT, B4H, BE-GOOD, eMEN, BioBase4SME). The remaining 3 projects were rejected due to the difficulty in result quantification, definition of long-term effects and demonstration of change brought to NWE. The approved projects covered a range of subjects, from data-driven services in public sector, through e-mental health and SME support.* *86 projects were submitted in Step 1 of call 2 (closed 30 November 2015). 40 out of 79 eligible applications were submitted under Priority 1, making it the most popular priority. Applicants addressed business support, clustering, technology development and testing, community support, territorial improvements, IT systems and services and urban-rural divide in the health and medical sector, social innovation, infrastructure maintenance, manufacturing and creative, digital and design fields. Step 2 of call 2 resulted in 3 project submissions under Priority 1. The quality of the submitted projects varied despite equal project development support provided by the Programme. The main weaknesses of projects were the wide scope or generic approach, limited relevance to the Programme area as well as consistency between the action plan and budget. Only one project was approved by the MC in Mainz on 13-15 September 2016 (QCAP).*

2	*LOW CARBON*	*MC 1 approved eight Priority 2 projects in call 1 step 1 (July 2015). Six of them submitted their step 2 application forms in December 2015 while the remaining two decided to wait until call 3, in line with the programme rules.* *The step 2 project development support provided in 2016 was smooth but varied depending on the quality of the initial step 1 applications. Several projects required a substantial redefinition of scope, others were more advanced and required detailed feedback concerning the structure of their action plans, budgets and contribution to programme output indicators. State aid and revenue generation were issues most common to Specific Objective 3, due to investments often included in the implementation plans (e.g. ocean energy). MC 3 approved 4 of the 8 call 1 step 2 submitted projects in Dusseldorf on 23-25 February 2016, two under SO2, one under SO3 and one under SO4 of Priority 2 (E=O, CAN, FORESEA, CHIPS).* *Step 1 of the call 2 for the Programme resulted in 22 eligible applications out of 25 submitted under Priority 2 of the Programme. The distribution of projects amongst the three Specific Objectives of the programme was fairly equal, with the quality of projects significantly higher than in the other two programme priorities and having a clear focus. Their thematic scope related mainly to retrofitting, energy supply and transport. Two of them were approved under SO2, four under SO3 and one under SO3 (MC5, Mainz,13-15 September 2016 - ACE-Retrofitting and HeatNet NWE).*
3	*RESOURCE AND MATERIAL EFFICIENCY*	*Three Priority 3 projects were approved in call 1 by MC1 (Liege, 9-10 July 2015). Two of them (NuCy and RESOLV) delayed their submission until 30 June 2016. Consequently, only one call 1 project was submitted in step 2 by end 2015 under Priority 3 (ARBOR II) and discussed at the MC3 on 23-25 February 2016 in Dusseldorf. The bid built on the initial NWE IVB project, but proved to have a fragmented research approach, not demonstrating the expected change on the Programme territory and hence scoring low in the quality assessment criteria. The project was rejected by the Dusseldorf MC, resulting in no projects approved under Priority 3 in call 1.* *Step 1 of the second call for proposals led to 19 applications submitted under Priority 3, 17 of them being eligible. The projects were highly relevant to the SO5 and aimed to increase material recovery, re-use and recycling, most of them focusing on innovative uses of waste from water treatment, food, construction, textile, biomass and landfill. The project partnership concepts were consistent. However, the applicants found it difficult to demonstrate long-term effects and value for money of their projects. 10 call 2 Step 1 projects were approved by the MC3 in Dusseldorf in February 2016. Four of them needed more time for development, which led to six bids submitted in step 2. In addition, from the two projects approved in call 1 step 1, which delayed their step 2 submission, one decided not to submit the project due to match-funding issues. Consequently, 7 step 2 projects were submitted by the 24 June 2016 deadline for call 2 and 5 of them approved by the Mainz MC on 13-15 September 2016. Unfortunately, one project (Phos4You) could not be contracted due to technical issues in 2016, which followed in 2017.*

4	*TECHNICAL ASSISTANCE*	*The year 2016 marked the first implementation year of the NWE projects. The Monitoring Committee meetings (Dusseldorf, 23-25 February 2016 and Mainz on 13-15 September 2016) approved 9 step 2 projects from the initial 85 step 1 applications of call 1(Dusseldorf MC) and 8 step 2 projects out of 86 step 1 bids of call 2 (Mainz MC). In parallel to the step 2 approval and implementation, the step 1 project development and selection continued, with the third call for proposals closed on 27 May 2016 and call 4 closed on 18 November 2016. The Mainz MC selected 17 step 1 projects, 5 under Priority 1, 8 under Priority 2 and 4 under Priority 3. These projects received substantial development support provided by both the JS and the Contact Point network before the step 2 submission.* *Apart from the project selection, MC discussed the closure of the previous IVB NWE Programme 2007-2013, the designation process, state aid issues, contractual arrangements (e.g. subsidy contract), the evaluation plan, budget monitoring and strategic programme issues. One MC meeting was specifically dedicated to programme monitoring and management (25 May 2016, Brussels).* *The programme organised numerous seminars for project lead partners and First Level Controllers (FLCs). These events aimed to explain the programme rules and requirements concerning project implementation, reporting and fraud prevention.* *As far as the programme tools are concerned, NWE was actively involved in the redevelopment and maintenance of the electronic Monitoring System (eMS) set up by INTERACT. Together with other user group and core group members, NWE discussed development plans, opportunities and additional functionalities (10-11 February 2016 and 6 October 2016).*

3.2. Common and Programme specific indicators (Article 50(2) of Regulation (EU) No 1303/2013)

Data for common and Programme-specific indicators by investment priority transmitted using the tables 1 to 2 below.

TABLE 1: Result indicators (by priority axis and specific objective); applies also to technical assistance priority axis

Automatic from SFC						ANNUAL VALUE										
ID	**Indicator**	**Measurement Unit**	**Baseline Value**	**Baseline Year**	**Target Value (2023)**	**2014**	**15**	**16**	**17**	**18**	**19**	**20**	**21**	**22**	23	**Observations (if necessary)**
R1	*Degree of SME involvement in collaboration with other institutions (including R&D)*	*Percentage*	*15*	*2014*	*20*	*0*	*0*	0								
R2	*Effectiveness of the NWE public sector organisations in the implementation of low carbon strategies*	*Percentage*	*31*	*2014*	*18*	*0*	*0*	*0*								*Given the negative annual growth rate of -15% and the estimate of 9% for 2022, the Programme target value will double the 2022 estimate. Please see the Programme methodology for result indicators provided as an attachment to this report.*

R3	*Status of conditions of low carbon technology deployment in NWE*	*Percentage*	*60*	*2014*	*70*	*0*	*0*	*0*								
R4	*Status of competences of the transport sector in the use of low carbon solutions in the transport systems*	*Percentage*	*6*	*2014*	*15*	*0*	*0*	*0*								
R5	*Status of competences in the resource intensive sectors in NEW for eco-innovation diffusion*	*Percentage*	*110*	*2014*	*112*	*0*	*0*	*0*								*The baseline and target values represent 110% and 112% of the EU average respectively. Please see the programme methodology for result indicators provided as an attachment to this report.*
TA 1	Share (%) of all supported operations that are implemented successfully, demonstrated by the achievement	Percentage	0	2013	90%	*0*	*0*	*0*								

	of planned objectives															
TA 2	Percentage of satisfaction of supporting beneficiaries in the implementation and communication of their projects	Percentage	66 %	2014	76%	*0*	*0*	*0*								
TA 3	Amount of regular expenditure in sample for audit of operation	Percentage	0%	2013	98%	*0*	*0*	*0*								

TABLE 2: Common and Programme specific output indicators (by priority axis, investment priority); applies also to technical assistance priority axes).

	ID	Indicator *(name of indicator)*	Measurement unit	Target value[1] (2023)	CUMULATIVE VALUE										Observations (if necessary)
					2014	15	16	17	18	19	20	21	22	23	
	<type='S' input='G'>	*<type='S' input='G'>*	*<type='S' input='G'>*	*<type='N' input='G'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='S' maxlength=875 input='M'>*
Selected operations [forecast provided by beneficiaries]	1.01	Number of new or enhanced transnational clusters or innovation networks	No. of clusters and innovation networks	27	**0**	**0**	**2**								**B4H: 1, BioBase4SME: 1**
Fully implemented operations [actual achievement]					**0**	**0**	**0**								**The values will be reported only for fully implemented operations**
Selected operations [forecast	1.02	Number of technologies, products, services	No. of solutions tested	68	**0**	**0**	**20**								**ASPECT:7, BE-GOOD:10, BioBase4SME:1,**

[1] Targets are optional for technical assistance priority axes.

provided by beneficiaries]		and processes developed and tested in real life conditions													**QCAP: 1, eMEN: 1**
Fully implemented operations [actual achievement]					**0**	**0**	**0**								**The values will be reported only for fully implemented operations**
Selected operations [forecast provided by beneficiaries]	1.0.3	Number of pilot actions implemented, focusing on social innovation	Number of actions	30	**0**	**0**	**0**								**No social innovation projects were approved by end 2016**
Fully implemented operations [actual achievement]					**0**	**0**	**0**								**The values will be reported only for fully implemented operations**
Selected operations [forecast provided by beneficiaries]	1.04	Number of jobs created in all economic sectors	Number of jobs	860	**0**	**0**	**0**								
Fully implemented operations [actual achievement]					**0**	**0**	**0**								**The values will be reported only for fully implemented operations**

Selected operations [forecast provided by beneficiaries]	1.05	Number of jobs maintained in all economic sectors	Number of jobs	860	**0**	**0**	**0**								
Fully implemented operations [actual achievement]					**0**	**0**	**0**								**The values will be reported only for fully implemented operations**
Selected operations [forecast provided by beneficiaries]	1.06	Amount of funding leveraged by the project (in €)	EUR	222,000,000	**0**	**0**	**0**								
Fully implemented operations [actual achievement]					**0**	**0**	**0**								**The values will be reported only for fully implemented operations**
Selected operations [forecast provided by beneficiaries]	1.07	Number of end-users benefitting from social innovation	No. of end-users	600	**0**	**0**	**0**								**No social innovation projects were approved by end 2016**
Fully implemented					**0**	**0**	**0**								**The values will be reported only for fully**

operations [actual achievement]															**implemented operations**
Selected operations [forecast provided by beneficiaries]	CO01	Number of enterprises receiving support	No. of enterprises	540	**0**	**0**	**358**								**B4H:300, BE-GOOD:10, BioBase4SME: 30, QCAP:3, eMEN:15**
Fully implemented operations [actual achievement]					**0**	**0**	**0**								**The values will be reported only for fully implemented operations**
Selected operations [forecast provided by beneficiaries]	CO26	No. of enterprises co-operating with research institutions	No. of enterprises	540	**0**	**0**	**11**								**ASPECT:8, QCAP:3**
Fully implemented operations [actual achievement]					**0**	**0**	**0**								**The values will be reported only for fully implemented operations**
Selected operations [forecast provided by	CO28	Number of enterprises supported to introduce new to the market	No. of enterprises	340	**0**	**0**	**318**								**B4H:300, BE-GOOD:10, BioBase4SME:5,**

beneficiaries]		products													**QCAP:3,**
Fully implemented operations [actual achievement]					**0**	**0**	**0**								**The values will be reported only for fully implemented operations**
Selected operations [forecast provided by beneficiaries]	CO29	Number of enterprises supported to introduce new to the firm products	No. of enterprises	200	**0**	**0**	**5**								**BioBase4SME:5**
Fully implemented operations [actual achievement]		Number of enterprises supported to introduce new to the firm products			**0**	**0**	**0**								**The values will be reported only for fully implemented operations**

	ID	**Indicator** ***(name of indicator)***	**Measure ment unit**	**Target value[2] (2023)**	**CUMULATIVE VALUE**										**Observations (if necessary)**
					2014	**15**	**16**	**17**	**18**	**19**	**20**	**21**	**22**	**23**	
	<type='S' input='G'>	*<type='S' input='G'>*	*<type='S' input='G'>*	*<type='N' input='G*	*<type='N' input*	*<type='S' maxle*	*<type='N' input*	*<type='N' input*	*<type='N' input*	*<type='N' input*	*<type='N' input*	*<type='N' input*	*<type='N' input*	*<type='N' input='M'>*	*<type='S' maxlength=875 input='M'>*

[2] Targets are optional for technical assistance priority axes.

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Selected operations [forecast provided by beneficiaries]	2.01	Number of solutions facilitating the delivery of existing or emerging low-carbon, energy or climate-protection strategies	No. of solutions	**15**	**0**	**0**	**17**								**ACE-Retrofitting:3, CAN:7, E=0:6, HeatNetNWE:1**
Fully implemented operations [actual achievement]					**0**	**0**	**0**								**The values will be reported only for fully implemented operations**
Selected operations [forecast provided by beneficiaries]	2.02	Number of combined mitigation-relevant adaptation solutions implemented	No. of solutions	**15**	**0**	**0**	**0**								
Fully implemented operations [actual achievement]					**0**	**0**	**0**								**The values will be reported only for fully implemented operations**
Selected operations [forecast provided by	2.03	Number of jobs created in all economic sectors	No. of jobs	**200**	**0**	**0**	**13**								**E=0:13**

beneficiaries]															
Fully implemented operations [actual achievement]					**0**	**0**	**0**								**The values will be reported only for fully implemented operations**
Selected operations [forecast provided by beneficiaries]	2.04	Number of jobs maintained in all economic sectors	No. of jobs	**200**	**0**	**0**	**20**								**E=0:20**
Fully implemented operations [actual achievement]					**0**	**0**	**0**								**The values will be reported only for fully implemented operations**
Selected operations [forecast provided by beneficiaries]	2.05	Amount of funding leveraged by the project	EUR	80,811,405	**0**	**0**	**14,000,000**								**CAN:14,000,000**
Fully implemented operations [actual achievement]					**0**	**0**	**0**								**The values will be reported only for fully implemented operations**
Selected	CO3	Number of	No. of	**450**	**0**	**0**	**0**								

operations [forecast provided by beneficiaries]	1	households with improved energy	households												
Fully implemented operations [actual achievement]					**0**	**0**	**0**								**The values will be reported only for fully implemented operations**
Selected operations [forecast provided by beneficiaries]	CO32	Decrease of annual primary energy consumption of public buildings	kWh/year	**300,000**	**0**	**0**	**16,192**								**ACE-Retrofitting: 15,000, CAN:1100, E=0:92**
Fully implemented operations [actual achievement]					**0**	**0**	**0**								**The values will be reported only for fully implemented operations**
Selected operations [forecast provided by beneficiaries]	CO34	Estimated annual decrease of GHG	Tonnes of CO2eq	**450**	**0**	**0**	**0**								

Fully implemented operations [actual achievement]					**0**	**0**	**0**								**The values will be reported only for fully implemented operations**

	ID	Indicator *(name of indicator)*	Measurement unit	Target value[3] (2023)	CUMULATIVE VALUE										Observations (if necessary)
					2014	15	16	17	18	19	20	21	22	23	
	<type='S' input='G'>	*<type='S' input='G'>*	*<type='S' input='G'>*	*<type='N' input='G'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='S' maxlength=875 input='M'>*
Selected operations [forecast provided by beneficiaries]	3.01	Number of adopted or applied low carbon technologies	Number of adopted or applied low carbon technologies	**44**	**0**	**0**	**26**								**FORESEA:26**
Fully implemented					**0**	**0**	**0**								**The values will be reported only for fully**

[3] Targets are optional for technical assistance priority axes.

operations [actual achievement]															**implemented operations**
Selected operations [forecast provided by beneficiaries]	3.02	Number of jobs created in all economic sectors	No. of jobs	**220**	**0**	**0**	**0**								
Fully implemented operations [actual achievement]					**0**	**0**	**0**								**The values will be reported only for fully implemented operations**
Selected operations [forecast provided by beneficiaries]	3.03	Number of jobs maintained in all economic sectors	No. of jobs	**220**	**0**	**0**	**0**								
Fully implemented operations [actual achievement]					**0**	**0**	**0**								**The values will be reported only for fully implemented operations**
Selected operations [forecast provided by	3.04	Amount of funding leveraged by the project	EUR	87,545,688	**0**	**0**	**30,000,000**								**FORESEA:30,000,000**

beneficiaries]															
Fully implemented operations [actual achievement]					**0**	**0**	**0**								**The values will be reported only for fully implemented operations**
Selected operations [forecast provided by beneficiaries]	CO 26	No. of enterprises co-operating with research institutions	No. of enterprises	**220**	**0**	**0**	**26**								**FORESEA:26**
Fully implemented operations [actual achievement]					**0**	**0**	**0**								**The values will be reported only for fully implemented operations**
Selected operations [forecast provided by beneficiaries]	CO 28	Number of enterprises supported to introduce new to the market products	No. of enterprises	**220**	**0**	**0**	**52**								**FORESEA:52**
Fully implemented operations [actual achievement]					**0**	**0**	**0**								**The values will be reported only for fully implemented operations**
Selected	CO	Number of	No. of	**220**	**0**	**0**	**0**								

operations [forecast provided by beneficiaries]	29	enterprises supported to introduce new to the firm products	enterprises												
Fully implemented operations [actual achievement]					**0**	**0**	**0**								**The values will be reported only for fully implemented operations**
Selected operations [forecast provided by beneficiaries]	CO 30	Additional capacity of renewable energy production	MW	**120**	**0**	**0**	**0**								
Fully implemented operations [actual achievement]					**0**	**0**	**0**								**The values will be reported only for fully implemented operations**
Selected operations [forecast provided by beneficiaries]	CO 31	Number of households with improved energy consumption classification	No. of households	**660**	**0**	**0**	**0**								
Fully implemented operations [actual					**0**	**0**	**0**								**The values will be reported only for fully implemented**

achievement]															**operations**
Selected operations [forecast provided by beneficiaries]	CO 34	Estimated annual decrease of GHG	Tonnes of CO2eq.	**500**	**0**	**0**	**0**								
Fully implemented operations [actual achievement]					**0**	**0**	**0**								**The values will be reported only for fully implemented operations**

	ID	**Indicator** ***(name of indicator)***	**Measurement unit**	**Target value[4] (2023)**	**CUMULATIVE VALUE**										**Observations (if necessary)**
					2014	**15**	**16**	**17**	**18**	**19**	**20**	**21**	**22**	**23**	
	<type='S' input='G'>	*<type='S' input='G'>*	*<type='S' input='G'>*	*<type='N' input='G'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='S' maxlength=875 input='M'>*
Selected operations [forecast provided by	4.01	Number of implemented low carbon solutions in	No. of solutions	**20**	**0**	**0**	**11**								**CHIPS:11**

[4] Targets are optional for technical assistance priority axes.

beneficiaries]		transport													
Fully implemented operations [actual achievement]					**0**	**0**	**0**								**The values will be reported only for fully implemented operations**
Selected operations [forecast provided by beneficiaries]	4.02	Number of new or improved transport management systems leading to GHG reduction	No. of systems	**10**	**0**	**0**	**0**								
Fully implemented operations [actual achievement]					**0**	**0**	**0**								**The values will be reported only for fully implemented operations**
Selected operations [forecast provided by beneficiaries]	4.03	Number of transport operators supported implementing low carbon solutions	No. of transport operators	**200**	**0**	**0**	**0**								
Fully implemented operations [actual achievement]					**0**	**0**	**0**								**The values will be reported only for fully implemented operations**
Selected	4.04	Number of jobs	No. of	**200**	**0**	**0**	**0**								

operations [forecast provided by beneficiaries]		created in all economic sectors	jobs												
Fully implemented operations [actual achievement]					**0**	**0**	**0**								**The values will be reported only for fully implemented operations**
Selected operations [forecast provided by beneficiaries]	4.05	Number of jobs maintained in all economic sectors	No. of jobs	**200**	**0**	**0**	**0**								
Fully implemented operations [actual achievement]					**0**	**0**	**0**								**The values will be reported only for fully implemented operations**
Selected operations [forecast provided by beneficiaries]	4.06	Amount of funding leveraged by the project	EUR	80,811,405	**0**	**0**	**0**								
Fully implemented operations [actual					**0**	**0**	**0**								**The values will be reported only for fully implemented**

achievement]															**operations**
Selected operations [forecast provided by beneficiaries]	CO 26	No. of enterprises co-operating with research institutions	No. of enterprises	**200**	**0**	**0**	**0**								
Fully implemented operations [actual achievement]					**0**	**0**	**0**								**The values will be reported only for fully implemented operations**
Selected operations [forecast provided by beneficiaries]	CO 28	Number of enterprises supported to introduce new to the market products	No. of enterprises	**200**	**0**	**0**	**0**								
Fully implemented operations [actual achievement]					**0**	**0**	**0**								**The values will be reported only for fully implemented operations**
Selected operations [forecast provided by beneficiaries]	CO 29	Number of enterprises supported to introduce new to the firm products	No. of enterprises	**200**	**0**	**0**	**0**								
Fully					**0**	**0**	**0**								**The values will**

implemented operations [actual achievement]															**be reported only for fully implemented operations**
Selected operations [forecast provided by beneficiaries]	CO 34	Estimated annual decrease of GHG	Tonnes of CO2eq	**500**	**0**	**0**	**0**								
Fully implemented operations [actual achievement]					**0**	**0**	**0**								**The values will be reported only for fully implemented operations**

	ID	**Indicator *(name of indicator)***	**Measurement unit**	**Target value[5] (2023)**	**CUMULATIVE VALUE**										**Observations (if necessary)**
					2014	**15**	**16**	**17**	**18**	**19**	**20**	**21**	**22**	**23**	
	<type='S' input='G'>	*<type='S' input='G'>*	*<type='S' input='G'>*	*<type='N' input='G'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='S' maxlength=875 input='M'>*
Selected	5.01	Number of	No. of	**42**	**0**	**0**	**26**								**AFTB:3,**

[5] Targets are optional for technical assistance priority axes.

operations [forecast provided by beneficiaries]		efficient natural and material resources solutions implemented and tested	solutions implemented												**Fibersort:1, Food Heroes:15, RE-DIRECT:7**
Fully implemented operations [actual achievement]					**0**	**0**	**0**								**The values will be reported only for fully implemented operations**
Selected operations [forecast provided by beneficiaries]	5.02	Number of innovative uses of waste processes/products/services from waste materials	No. of solutions designed	**18**	**0**	**0**	**11**								**RE-DIRECT: 11**
Fully implemented operations [actual achievement]					**0**	**0**	**0**								**The values will be reported only for fully implemented operations**
Selected operations [forecast provided by beneficiaries]	5.03	Amount of funding leveraged by the project	EUR	161,622,811	**0**	**0**	**2,000,000**								**RE:DIRECT:2,000,000**
Fully implemented operations [actual					**0**	**0**	**0**								**The values will be reported only for fully implemented**

achievement]															**operations**
Selected operations [forecast provided by beneficiaries]	5.04	Amount of decreased raw material use	Tonnes	1,000,000	**0**	**0**	**30,000**								**Fibersort:10,000, RE-DIRECT:20,000**
Fully implemented operations [actual achievement]					**0**	**0**	**0**								**The values will be reported only for fully implemented operations**
Selected operations [forecast provided by beneficiaries]	5.05	Amount of increased material recovery, re-use and recycling	Tonnes	1,000,000	**0**	**0**	**14,000**								**Fibersort:13,000, RE-DIRECT:1,000**
Fully implemented operations [actual achievement]					**0**	**0**	**0**								**The values will be reported only for fully implemented operations**
Selected operations [forecast provided by beneficiaries]	5.06	Number of jobs created in all economic sectors	No. of jobs	400	**0**	**0**	**65**								**Fibersort:40, RE-DIRECT:25**
Fully					**0**	**0**	**0**								**The values will**

implemented operations [actual achievement]															**be reported only for fully implemented operations**
Selected operations [forecast provided by beneficiaries]	5.07	Number of jobs maintained in all economic sectors	No. of jobs	**400**	**0**	**0**	**25**								**RE-DIRECT:25**
Fully implemented operations [actual achievement]					**0**	**0**	**0**								**The values will be reported only for fully implemented operations**
Selected operations [forecast provided by beneficiaries]	CO 01	Number of enterprises receiving support	No. of enterprises	**200**	**0**	**0**	**150**								**AFTB:10, Fibersort:5, Food Heroes:135**
Fully implemented operations [actual achievement]					**0**	**0**	**0**								**The values will be reported only for fully implemented operations**
Selected operations [forecast provided by	CO 26	No. of enterprises co-operating with research	No. of enterprises	**200**	**0**	**0**	**46**								**AFTB:6, Food Heroes:40**

beneficiaries]		institutions													
Fully implemented operations [actual achievement]					**0**	**0**	**0**								**The values will be reported only for fully implemented operations**
Selected operations [forecast provided by beneficiaries]	CO 28	Number of enterprises supported to introduce new to the market products	No. of enterprises	**200**	**0**	**0**	**28**								**AFTB:10, Food Heroes:3, RE-DIRECT:15**
Fully implemented operations [actual achievement]					**0**	**0**	**0**								**The values will be reported only for fully implemented operations**
Selected operations [forecast provided by beneficiaries]	CO 29	Number of enterprises supported to introduce new to the firm products	No. of enterprises	**200**	**0**	**0**	**24**								**Fibertsort:5, Food Heroes:12, RE-DIRECT:7**
Fully implemented operations [actual achievement]					**0**	**0**	**0**								**The values will be reported only for fully implemented operations**

	ID	Indicator *(name of indicator)*	Measurement unit	Target value[6] (2023)	CUMULATIVE VALUE										Observations (if necessary)
					2014	15	16	17	18	19	20	21	22	23	
	<type='S' input='G'>	*<type='S' input='G'>*	*<type='S' input='G'>*	*<type='N' input='G'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='N' input='M'>*	*<type='S' maxlength=875 input='M'>*
Selected operations [forecast provided by beneficiaries]	6.01	Number of Transnational Cooperation projects approved	Number		**0**	**0**	**16**								**16 projects approved by the Programme MCs in 2016**
Fully implemented operations [actual achievement]					**0**	**0**	**0**								
Selected operations [forecast provided by beneficiaries]	6.02	Number of on the spot verifications (site visits) done by JS staff	Number/ month		**0**	**0**	**0**								
Fully implemented					**0**	**0**	**0**								

[6] Targets are optional for technical assistance priority axes.

operations [actual achievement]															
Selected operations [forecast provided by beneficiaries]	6.03	Average number of visits to the Programme website	Number		**0**	**0**	**6590**								
Fully implemented operations [actual achievement]					**0**	**0**	**0**								
Selected operations [forecast provided by beneficiaries]	6.04	Number of Monitoring Committee meetings	Number		**0**	**0**	**3**								**MC3, 23-25 February 2016** **MC4, 25 May 2016** **MC5, 13-15 September 2016**
Fully implemented operations [actual achievement]					**0**	**0**									
Selected operations [forecast	6.05	Duration of reimbursement	Weeks		**0**	**0**	**8.5**								**8.5 weeks**

provided by beneficiaries]		of expenditure to final beneficiaries													
Fully implemented operations [actual achievement]					**0**	**0**	**0**								
Selected operations [forecast provided by beneficiaries]	6.06	Number of appeals to calls for proposals	Number		**0**	**0**	**2**								**Greening Brownfields (14/01/2016), H2SME (07/10/2016)**
Fully implemented operations [actual achievement]					**0**	**0**									
Selected operations [forecast provided by beneficiaries]	6.07	Number of evaluations, studies, surveys, experts, reports	Number		**0**	**0**	**0**								
Fully implemented operations [actual achievement]					**0**	**0**	**0**								

Selected operations [forecast provided by beneficiaries]	6.08	Number of employees whose salaries are co-financed by Technical Assistance	Number		**0**	**0**	**34**								**21 JS officers and 13 Contact Point staff members (not all working full-time)**
Fully implemented operations [actual achievement]					**0**	**0**	**0**								
Selected operations [forecast provided by beneficiaries]	6.09	Staff turn-over	%		**0**	**0**	**20**								**12% for JS and 37% for CPs**
Fully implemented operations [actual achievement]					**0**	**0**	**0**								

3.3 Milestones and targets defined in the performance framework (Article 50(2) of Regulation (EU) No 1303/2013) – submitted in annual implementation reports from 2017 onwards

Reporting on financial indicators, key implementation steps, output and result indicators to act as milestones and targets for the performance framework (submitted starting with the report in 2017).

TABLE 3: Information on the milestones and targets defined in the performance framework

Priority axis	Ind type	Id	Indicator	Measurement unit	Milestone for 2018 total	Final target (2023) total	2016	Observations
1	F	1.E	Total amount of eligible expenditure certified to EC for Priority Axis 1	EUR	32,681,033	217,873,890.00	0	
1	I	1.A	Number of approved projects under Priority 1, focusing on the new or enhanced transnational clusters and innovation networks	Number of projects	5	9	2	B4H, BioBase4SME
1	I	1.B	Number of approved projects under Priority 1, focusing on enterprises receiving support	Number of projects	14	27	5	ASPECT, BE-GOOD, BIoBaseSME, QCAP, eMEN
1	O	1.C	Number of new or enhanced transnational clusters or innovation networks	Number of networks/clusters	0	27	0	
1	O	1.D	Number of enterprises receiving support	Number of enterprises	0	540	0	
2	F	2.E	Total amount of eligible expenditure certified to EC for Priority Axis 2	EUR	36,642,427	244,282,844.00	0	
2	I	2.A	Number of approved projects under Priority 2, leading to solutions facilitating the delivery of existing or emerging low carbon, energy or climate protection strategies	Number of projects	3	6	4	ACE-Retrofitting, CAN, E=0, HeatNet NWE

2	I	2.B	Number of approved projects under Priority 2, leading to enterprises co-operating with research institutions	Number of projects	11	21	1	FORESEA
2	O	2.C	Number of solutions facilitating the delivery of existing or emerging low carbon, energy or climate protection strategies	Number of solutions	0	18	0	
2	O	2.D	No. of enterprises co-operating with research institutions	Number of enterprises	0	420	0	FORESEA:26
3	F	3.C	Total amount of eligible expenditure certified to EC for Priority Axis 3	EUR	23,768,061.00	158,453,737.00	0	
3	I	3.A	Number of projects approved under Priority 3	Number of projects	10	20	4	RE:DIRECT, AFTB, Fibersort, Food Heroes
3	O	3.B	Number of enterprises receiving support	No. of enterprises	0	400	0	

** Member States submit cumulative values for output indicators. Values for financial indicators are cumulative. Values for the key implementation steps are cumulative if the key implementation steps are expressed by a number or percentage. If the achievement is defined in a qualitative way, the table should indicate whether they are completed or not.*

3.4. Financial data (Article 50(2) of Regulation (EU) No 1303/2013)

TABLE 4: Financial information at priority axis and Programme level as set out in Table 1 of Annex II to Commission Implementing Regulation (EU) No 1011/2014[7] [Model for transmission of financial data][8] and table 16 of model for cooperation Programmes under the European territorial cooperation goal

Priority Axis	*Fund*	*Calculation basis*	*Total funding*	*Co-financing rate*	*Total eligible cost of operations selected for support*	*Proportion of the total allocation covered with selected operations*	*Public eligible cost of operations selected for support*	*Total eligible expenditure declared by beneficiaries to the managing authority*	*Proportion of the total allocation covered by eligible expenditure declared by beneficiaries*	*Number of operations selected*
1	ERDF	Total	217,873,890.00	60.00%	29,920,431.38	13.73%	24,254,014.14	300,000.00	0.14%	6
2	ERDF	Total	244,282,844.00	60.00%	48,049,903.60	19.67%	39,844,134.21	300,000.00	0.12%	6
3	ERDF	Total	158,453,737.00	60.00%	19,411,236.00	12.25%	15,652,534.06	200,000.00	0.13%	4
4	ERDF	Total	27,962,424.00	85.00%	27,962,424.00	100.00%	27,962,424.00	2,522,766.47	9.02%	10
Total	ERDF		648,572,895.00	61.08%	125,343,994.98	19.33%	107,713,106.41	3,322,766.47	0.51%	26
Grand total			648,572,895.00	61.08%	125,343,994.98	19.33%	107,713,106.41	3,322,766.47	0.51%	26

Where applicable, the use of any contribution from third countries participating in the cooperation Programme should be provided (for example IPA and ENI, Norway, Switzerland)

Swiss organisations may participate in the NWE projects but are not entitled to ERDF funding. They may receive funding from the Swiss federal government to co-finance their share in the project budget and, in some cases, may need to provide own funding to cover their entire share of the project budget.

The Swiss contribution to Technical Assistance equals 24,000 EUR for the course of the programme duration. The entire amount was invoiced by the programme and paid by Switzerland in December 2015. Since then, no additional funding has been received.

[7] OJ L 286, 30.9.2014, p. 1.

[8] Structured data required for the report on YEI which is to be submitted in April 2015 in accordance with Article 19(3) and Annex II of Regulation (EU) No 1304/2013.

TABLE 5: Breakdown of the cumulative financial data by category of intervention (Article 112(1) and (2) of Regulation (EU) No 1303/2013 and Article 5 of Regulation (EU) No 1304/2013**)** as set out in Table 2 of Annex II to Commission Implementing Regulation (EU) No 1011/2014 [Model for transmission of financial data] and tables 6-9 of Model for cooperation Programmes

Priority Axis	*Fund*	*Intervention field*	*Form of finance*	*Territorial dimension*	*Territorial delivery mechanism*	*Thematic objective dimension*	*Economic dimension*	*Location dimension*	*Total eligible cost of operations selected for support*	*Public eligible cost of operations selected for support*	*Total eligible expenditure declared by beneficiaries to the managing authority*	*Number of operations selected*
1	ERDF	12	1	7	7	1	20	NL326	5,363,655.00	4,266,743.00	50,000.00	1
1	ERDF	63	1	7	7	1	20	NL412	4,396,546.27	3,687,873.35	50,000.00	1
1	ERDF	64	1	7	7	1	3	NL226	3,143,632.27	2,646,058.99	50,000.00	1
1	ERDF	64	1	7	7	1	7		10,566,430.20	7,203,171.16	100,000.00	2
1	ERDF	112	1	7	7	1	24	NL332	6,450,167.64	6,450,167.64	50,000.00	1
2	ERDF	12	1	7	7	4	22	UKM65	10,751,964.66	7,512,629.92	50,000.00	1
2	ERDF	13	1	7	7	4	22		21,214,042.32	17,517,818.17	150,000.00	3
2	ERDF	23	1	7	7	4	10	IE021	11,573,185.53	10,897,361.34	50,000.00	1
2	ERDF	43	1	7	7	4	12	BE242	4,510,711.09	3,916,324.78	50,000.00	1
3	ERDF	19	1	7	7	4	4	NL226	3,529,826.43	2,018,353.87	50,000.00	1
3	ERDF	69	1	7	7	4	3	NL413	5,700,497.85	4,102,328.47	50,000.00	1
3	ERDF	69	1	7	7	4	8	UKD72	4,806,211.72	4,806,211.72	50,000.00	1
3	ERDF	69	1	7	7	4	11	DE731	5,374,700.00	4,725,640.00	50,000.00	1
4	ERDF	121	1	7	7		24		27,962,424.00	27,962,424.00	2,522,766.47	10

TABLE 6: Cumulative cost of all or part of an operation implemented outside the Union part of the Programme area

1	**2**	**3**	**4**	**5**
	The amount of ERDF support* envisaged to be used for all or part of an operation implemented outside the Union part of the Programme area based on selected operations (EUR)	**Share of the total financial allocation to all or part of an operation located outside the Union part of the Programme area** **(%)** **(column 2/total amount allocated to the support from the ERDF at Programme level *100)**	**Eligible expenditure of ERDF support incurred in all or part of an operation implemented outside the Union part of the Programme area declared by the beneficiary to the managing authority (EUR)**	**Share of the total financial allocation to all or part of an operation located outside the Union part of the Programme area** **(%)** **(column 4/total amount allocated to the support from the ERDF at Programme level *100)**
B4H[9]	*418,725*	*0.11&*	*0*	

* ERDF support is fixed in the Commission decision on the respective cooperation Programme.

[9] In accordance with and subject to ceilings set out Article 20 of Regulation (EU) No 1299/2013.

4. SYNTHESIS OF THE EVALUATIONS (Article 50(2) of Regulation (EU) No 1303/2013)

Synthesis of the findings of all evaluations of the Programme that have become available during the previous financial year, including the name and reference period of the evaluation reports used.

The full description of evaluation activities performed by the programme in 2016 is provided in Part B of this report, section 10.1.

5. ISSUES AFFECTING THE PERFORMANCE OF THE PROGRAMME AND MEASURES TAKEN (ARTICLE 50(2) of Regulation (EU) No 1303/2013)

a) Issues which affect the performance of the Programme and the measures taken

The full description of issues affecting programme performance in 2016 is provided in sections 2 and 9.1 of this report.

b) OPTIONAL FOR LIGHT REPORTS, otherwise it will be included in point 9.1 (Article 50(4) of Regulation (EU) No 1303/2013)

An assessment of whether progress made towards targets is sufficient to ensure their fulfilment, indicating any remedial actions taken or planned, where appropriate

The full progress made towards NWE targets is provided in Part B of this report, section 9.1.

6. CITIZEN'S SUMMARY (Article 50(9) of Regulation (EU) No 1303/2013)

A citizen's summary of the contents of the annual and the final implementation reports shall be made public and uploaded as a separate file in the form of annex to the annual and the final implementation report

7. REPORT ON THE IMPLEMENTATION OF FINANCIAL INSTRUMENTS (Article 46 of Regulation (EU) No 1303/2013)

Where the managing authority decided to use financial instruments, it must send to the Commission a specific report covering the financial instruments operations as an annex to the annual implementation report

PART B - REPORTING SUBMITTED IN YEARS 2017, 2019 AND FINAL IMPLEMENTATION REPORT (Article 50(4) of Regulation (EU) No 1303/2013 and Article 14(4) of Regulation (EU) No 1299/2013)

9. ASSESSMENT OF THE IMPLEMENTATION OF THE COOPERATION PROGRAMME (Article 50(4) of Regulation (EU) No 1303/2013 and Article 14(4) of Regulation (EU) No 1299/2013)

9.1 Information in Part A and achieving the objectives of the Programme (Article 50(4) of Regulation (EU) No 1303/2013)

FOR EACH PRIORITY AXIS - Assessment of the information provided above and progress towards achieving the objectives of the Programme, including the contribution of the ERDF to changes in the value of result indicators, when evidence is available from evaluations

In 2016, after two years of programme implementation, NWE launched a gap analysis to assess the status of implementation and the approved projects versus the initial Specific Objectives and Priority Axes. The aim of this undertaking was to evaluate the quantity and quality of the project pipeline as well as the NWE capacity to reach newcomers from the territory and to take stock of the programme's coverage (thematic, geographic, stakeholders) and performance, define the gaps related to the objectives set out in the Cooperation Programme and evaluate the promotion and external communication strategy inextricably bound to the overall programme outreach to potential beneficiaries. The analysis will be updated annually. The findings of the initial version, enriched with follow-up conclusions, are summarised below.

As far as the programme output indicator achievements are concerned, they are aligned with the programme expectations since the first batch of projects approved by the programme has only started their implementation phase. Consequently, no values for fully delivered outputs (that can only be reported for fully completed operations) can be subject of this report. As far as the contracted operations and their planned contribution to the indicator framework are concerned, several conclusions can be drawn when looking at the individual priorities.

Priority 1 performance (SO1), with 14% of the budget attributed to 6 projects, is not fully aligned with initial expectations due to underperforming ToA3 (mentioned in section 2 above). The performance of the priority is measured by two output indicators, CO1 "Number of enterprises receiving support" and the "Number of new or enhanced transnational clusters of innovation networks". The contribution of approved projects to the former indicator is satisfactory, with 66% of the target value reached by the programme. As for the latter, the 8% achievement rate indicates the shift of the programme from financing typical innovation networks to direct or indirect business support. The remaining indicators from this priority confirm the conclusion that the programme's focus on the support for the development and testing of technologies, products, processes and services is working well, concentrating mainly on the introduction of new products to the market (instead of the initially envisaged new to the market and new to the firm products). The number of projects co-operating with research institutions is fairly low, however this is not due to the fact that insufficient number of them are involved, but because the R&D involvement in projects is not highlighted under this particular indicator in the application form. This can and will be corrected in the process of programme monitoring. Last but not least, the two indicators related to the social innovation type of action (number of pilot actions implemented in social innovation and end-users benefitting from them) had zeros attributed due to the fact that no social innovation projects had been approved by the programme by end 2016.

The measurement of Priority 2 performance is complex due to three specific objectives included. The three SOs are measured using the indicators focusing on solutions for the delivery of low-carbon, energy or climate protection strategies (SO2) as well as the CO26 "Enterprises cooperating with research institutions" (SO3 and SO4). The SO2 (with the 41% of the budget attributed by end 2016) suffered from project miscalculations in terms of estimated annual decrease of GHG emissions, which were not submitted in line with the programme requirements (not provided by the project using the right measurement unit- tonnes of CO2 equivalents). The values for approved projects will be corrected in the course of programme implementation. In addition, the Programme Manual has been adjusted clarifying this requirement to avoid future misunderstanding. The indicator "Number of households with improved energy classification" has proved equally tricky for the applicants, them not providing the project target values in line with the programme definitions provided

in the annex to the Programme Manual. Consequently, the figures will need to be corrected in the course of the project implementation. Two indicators remain at "0" value, the "Decrease of annual primary energy consumption in public buildings (CO32)" and the "Number of combined mitigation-relevant adaptation solutions implemented". No value for the former is strictly linked to the fact that the programme didn't approve any projects under ToA5 in 2016. The lack of value for the CO32 is because no projects were approved by end 2016 in the domain of public building renovation/energetical upgrade. This is however balanced out by high values in the household energy saving projects. The SO3 performance is measured by the number of enterprises co-operating with research institutions due to the focus on the technology, product or solution demonstration schemes. Here the 13% budget contracted is justified by 12% attribution of the programme value of the indicator and a high attribution rate in indicator "Number of adopted or applied low-carbon technologies" (59%) mainly aiming to help enterprises introduce new to the market products (24% of the indicator target value attributed). No projects contributed to the "Additional capacity of renewable energy production", which, similarly to the SO5, is due to the fact that energy production as such is considered as a long-term effect of the application of the technology tested. As for SO4 of Priority 2 is concerned, it is measured by the indicator "Number of enterprises co-operating with research institutions" due to the objective to increase the capacity in the transport sector by maximising the heterogeneity of public-private partners. As only one project was approved in SO4 by end 2014, the values of almost all indicators are close to zero with 6% of the initial budget attributed.

Priority 3 performance is measured with the single indicator (CO01"Number of enterprises receiving support"). Similarly to Priority 1, 6% of the funding attributed by end 2016 allowed the 75% achievement of the indicator, which confirms the conclusion that the priority is working well with the high numbers of efficient natural and material resource solutions to be implemented and tested as well as the high number of innovative uses of waste to be applied from waste material to processes/products/services (62% and 61% respectively). As far as the follow-up indicators for CO01 are concerned (CO28 enterprises supported to introduce new to the market or CO29 new to the firm products), the values to date are lower than anticipated because the projects contributing to the CO01 did not automatically use the follow up CO28 and CO29 in their application forms. This will be corrected in the monitoring process and the values adjusted accordingly. Steady growth has been noticed for the indicator "Number of enterprises cooperating with research institutions", also satisfactory at this stage of Programme implementation. However, as far as the amount of decreased raw material use and increased material recovery, re-use and recycling, is concerned, a potential difficulty has been noted due to the lack of distinction between sectors and the varied gross weight/value of materials used or recovered. In addition, it should be mentioned that the amount of raw material use or material recovery, re-use and recycling is considered by applicants as a long-term effect of project pilots rather than the values than can be achieved in the course of the projects via the implemented pilots. It is therefore possible that the target values for both indicators were overestimated in the Cooperation Programme.

Priority 4 is measured by the indicator "Number of projects approved" as well as the result indicator "Percentage of satisfaction of supporting beneficiairies in the implementation and communication of their projects". As for the former, In this reporting period, 16 projects were approved by the programme in the three MC meetings held in 2016. As for the latter, the evaluation of the two-step approach focused, to a large extent, on the satisfaction of end-users with the two-step approach used by the programme in the application process (to be reported in 2017 due to greater time relevance).

As far as the support for funded operations is concerned ("Share (%) of all supported operations that are implemented successfully, demonstrated by the achievement of planned objectives" and the "Amount of regular expenditure in sample for audit of operation"), progress for both of these result indicators can only be assessed in the future reporting periods sue to early stage of programme implementation in 2016.

The average number of visits to the programme website (6590) also indicates a high interest in the programme amongst the NWE stakeholders.

9.2. Specific actions taken to promote equality between men and women and to promote non-discrimination, in particular accessibility for persons with disabilities, and the arrangements implemented to ensure the integration of the gender perspective in the cooperation Programme and operations (Article 50(4) of Regulation (EU) No 1303/2013 and Article 14(4), subparagraph 2, (d) of Regulation (EU) No 1299/2013)

An assessment of the implementation of specific actions to take into account the principles set out in Article 7 of Regulation (EU) No 1303/2013 on promotion of equality between men and

women and non-discrimination, including, where relevant, depending on the content and objectives of the cooperation Programme, an overview of specific actions taken to promote equality between men and women and to promote non-discrimination, including accessibility for persons with disabilities, and the arrangements implemented to ensure the integration of the gender perspective in the cooperation Programme and operations

The equality and non-discrimination principles are integrated into the template of the application form (section B "Horizontal principles"). All partnerships bidding for funding must explain to which extent their project contributes to these principles. Based on the explanation provided in the Programme Manual (section 4.2.3 Project description), the partnerships must select the option "neutral" or "positive" (with regards to equal

opportunities and non-discrimination and equality between men and women) to be approved. This information is part of the eligibility check at step 2 (eligibility criterion 15), before the Programme quality selection criteria are applied. In case the information provided in the horizontal principles is not positive or neutral, the projects are found ineligible.

In order to see in which way refugee related challenges could be taken into account in NWE, a working group combining Joint Secretariat and Contact Points was organized end of 2015 / beginning of 2016. The group made a proposal discussed at the NWE Monitoring Committee on 23-25 February 2016 in Dusseldorf. The MC took a decision to consider refugee related projects within our existing priorities (in particular Priority 1 - ToA3), and to focus on "the integration of recognised refugees in the mid- and long-term (...) in the domain of entrepreneurship, employment and access to the labour market." A sentence was included in the terms of reference for calls 3 (closed on the 27 May 2016) and 4 (closed on the 18 November 2016). The MC also approved the opening of our communication towards relevant stakeholders, through the extension of existing CP and JS contact databases.

As a result, 7 applications out of the 123 received in calls 3 and 4 (step 1) addressed or mentioned this topic, but none of them focussed on it specifically. At the moment of submission of this report, the Programme did not have any approved projects addressing the refugee topic.

The Programme continues to include the refugee stakeholders in its contact databases and inviting them to our events in hope that they potentially intervene on the migration challenge, simultaneously maintaining a buttom-up approach. No specific call or budget allocation has been envisaged by the Programme to date.

It is also worth noting that within the first call for proposals, the Programme approved a project focusing on e-mental health innovation (eMEN). The project's objective is to promote more affordable, accessible, effective and empowering mental health by operationalizing a platform for e-mental health process and product innovation, development, testing and implementation. People with mental health difficulties and mental health professionals will be the direct project end-users. EMEN Activities are implemented in NL, DE, FR, UK, IE and BE by mental health service providers, SMEs and research institutes.

9.3. Sustainable development (Article 50(4) of Regulation (EU) No 1303/2013 and Article 14(4), subparagraph 2, (e) of Regulation (EU) No 1299/2013)

An assessment of the implementation of actions to take into account the principles set out in Article 8 of Regulation (EU) No 1303/2013 on sustainable development, including, where relevant, depending on the content and objectives of the cooperation Programme, an overview of the actions taken to promote sustainable development in accordance with that Article

As mentioned in the section 8.1 of the Cooperation Programme, the NWE thematic objectives and investment priorities clearly reflect the importance of sustainable development. IP 4e focuses on low carbon strategies, including climate change mitigation and adaptation measures (SO2 of NWE), while IP 4f focuses on low-carbon technologies (SO3 of NWE). IP 7c is about sustainable and low-carbon transport, reducing GHG emissions (SO4 of NWE). Environmental needs and challenges are also addressed in IP 6f, which improves environmental protection and resource/material efficiency, reduces air pollution in the NWE area and reduces and reuses waste (SO5 of NWE). Additionally, innovation in the NWE Programme strategy also includes eco-innovation: innovation that contributes to sustainable development (SO1 of the Programme). Therefore, all the 16 projects approved by end 2016 contribute to sustainable development in NWE.

As far as projects are concerned, sustainable development principle is directly integrated in the application form used by all projects (section B "Horizontal principles"). All partnerships bidding for funding must explain to which extent their project contributes to these principles. Based on the explanation provided in the Programme Manual (section 4.2.3 Project description), the partnerships must select the option "neutral" or "positive" with regards to sustainable development to be approved at step 2. This information is part of the eligibility check (eligibility criterion 15), before the programme quality selection criteria are applied to further assessment. In case the information provided in the horizontal principles is not positive or neutral, the projects are found ineligible.

9.4. Reporting on support used for climate change objectives (Article 50(4) of Regulation (EU) No 1303/2013)

As stipulated in section 2 of the Cooperation Programme, NWE addresses climate change mainly through the projects already approved under the 'Low carbon' Priority Axis. For more information please see section 3.1 of this report.

Priority Axis	***Amount of support to be used for climate change objectives (EUR)***	***Proportion of total allocation to the operational Programme (%)***
1	3,218,193.00	2.46%
2	27,206,086.09	18.56%
3	3,811,538.29	4.01%
Total	**34,235,817.38**	**8.64%**

9.5 Role of partners in the implementation of the cooperation Programme (Article 50(4) of Regulation (EU) No 1303/2013 and Article 14(4), subparagraph 1, (c) of Regulation (EU) No 1299/2013)

Assessment of the implementation of actions to take into account the role of partners referred to in Article 5 of Regulation (EU) No 1303/2013, including involvement of the partners in the implementation, monitoring and evaluation of the cooperation Programme

The NWE code of conduct applied to the Monitoring Committee, while fully respecting the principles of subsidiarity and proportionality, highlights the principle of transparency and good practice in avoidance of conflict of interest.

In case of project selection, when a Member State representative can potentially represent a conflict of interest, they do not participate in the decision making (leaving the MC room for the time dedicated to a specific project). In particular, this applies to the national delegations that include representatives of regions and cities.

10. OBLIGATORY INFORMATION AND ASSESSMENT ACCORDING TO ARTICLE 14(4), SUBPARAGRAPH 1 (A) AND (B), OF REGULATION (EU) NO 1299/2013

10.1 Progress in implementation of the evaluation plan and the follow-up given to the findings of evaluations

In line with the CPR regulation, the NWE evaluation plan was presented to the Programme Monitoring Committee in Brussels on 25th May 2016, within the 1-year period after the programme approval by the European Commission. The plan was approved by the Monitoring Committee that day and took note that its content could change in the course of the programme. In addition, the MC also established the Evaluation Task

Force (ETF), composing of 4 Member State representatives (UK, BE, DE and LU), the MA, a representative of the Contact Point network as well as several JS staff members.

The Evaluation Plan refers to the whole programming period and lays foundations for the programme approach to evaluation as well as its governance. Its details were further polished by the ETF, which held several meetings in the second half of 2016. The first meeting (7th July 2016, Lille) focused mainly on the amendments to the evaluation plan. It provided more details about the objectives of the first two programme evaluations (two -step approach to the application process and the implementation evaluation) as a starting point to the formulation of the evaluation questions. The ETF also discussed the DG Regio and evaluation consultant advice provided in the Interact meeting (Amsterdam, June 2016) concerning the formulation of the Terms of Reference for the evaluation contract with consultants and discussed evaluation methods that could be applied to NWE. As a result of the meeting, the programme launched a call for tender for the evaluation framework contract on 16th August 2016. The two offers received were discussed in an ETF conference call on 29 September 2016 with the consortium consisting of the Spatial Foresight and t33 selected as the sub-contractors. The first meeting with the evaluators took place in Brussels on 19 November 2016 and resulted in the formulation of an inception report for task 1 of the contract, the evaluation of the two-step approach to the application process. The meeting also briefly discussed a potentially additional task to the framework contract, the establishment of territorial cohesion indicators, their setting, sources of information and the way to proceed.

The first evaluation, of the two-step approach, came at an important moment in programme implementation. The approach had a two-fold aim, to simplify the application procedure and alleviate the administrative burden for applicants as well as to facilitate the implementation of result-orientation in funded projects. The evaluation was launched in order to see whether the two-step approach has been efficient and effective in terms of the application process for the beneficiaries, tools and guidance provided to applicants as well as the involvement of programme bodies in the project development, assessment and decision-making process. Moreover, the evaluators were requested to analyse the programme's capacity to attract newcomers when compared to the previous IVB NWE Programme. The information required for the evaluation purpose came from the existing studies (programming period 2007-2013), the data from the monitoring systems (PMS for the 2007-2013 and eMS for the current programming period), applicant survey (satisfaction levels, also amongst unsuccessful applicants) and interviews with the programme bodies. The evaluation undertook an analysis of the programme processes, namely the roles of the programme bodies (separation of tasks, programme resources dedicated to project development and assessment, assistance provided to applicants, selection criteria applied at step 1 and 2 and the general approval rates).

By end 2016, the inception report of this evaluation was finalised and the first version of the evaluation questions formulated. As the year was being closed, the evaluation consortium was busy with setting up the internet platform for the applicant survey.

The outcome of the evaluation will be provided in the next AIRs due to greater relevance to the next reporting period.

10.2 The results of the information and publicity measures of the Funds carried out under the communication strategy

The communication activities in 2016 followed the guidelines of the programme communication strategy approved by the Monitoring Committee in November 2015. This strategy establishes that the target audience of the programme communication is composed by potential applicants, applicants with a project approved in step 1, partners of approved projects and relevant stakeholders and multipliers. Using this approach, in 2016 the programme communication focused on the promotion of calls 3 and 4 and the support to project communication for the projects approved in call 1 and 2. The programme does not communicate directly to citizens, but instead supports project communication to reach them.

Call promotion

The Joint Secretariat established a promotion calendar for each call for proposals. This was achieved on the basis of four steps:

*1) **Identification** of relevant stakeholders and creation of a contact database. During this phase, the contact points and JS enriched and further developed their contact databases to reach out to new potential applicants and to make the information as accessible as possible. The new website, which offers the possibility to "sign up*

for alerts", also contributed to enriching this contact database. The outcome was the constitution of a global Interreg NWE database of over 7000 potential applicants.

*2) **Announcement** of the call four to five months before the deadline via an online article and a mailing to the contact database. Call 3 (open from 18 April to 27 May 2016) was announced on 4 February 2016 and call 4 (open from 17 October to 18 November 2016) was announced on 16 June.*

*3) The organisation of **information** activities and events at regional / national level. The contact points and the Joint Secretariat organised twelve Info Days or equivalent in six countries between 16 February and 21 March to promote call 3, reaching out to almost 1,000 participants. Regarding call 4, nine Info Days or presentations at external events were organised between 30 June and 3 October 2016 in five different countries, reaching 550 potential applicants.*

*4) Organisation of a transnational **networking** event (Project Ideas Lab) two weeks before the opening of each call. The Project Ideas Lab corresponding to call 3 took place in Frankfurt on 7 April 2016 with 158 participants, including 80 newcomers. According to the evaluation survey, 88% of the attendants considered their overall experience at the event "excellent" or "good". The second Project Ideas Lab, organised for call 4, was held in Dublin on 6 October 2016 with also 158 attendants, including 80 newcomers. The satisfaction rate was high, 89% of the participants considering that their overall experience was good or excellent.*

Support to project development and approved projects

To support the approved step 1 projects in the creation of their communication work packages in step 2, presentations about project communication were made in two step 2 workshops, organised for applicants on 21 March and 17 October 2016.

The requirements for project communication were also presented during the two approved project seminars organised on 2 June and 7 December 2016. Additionally, two half-day workshops specifically focusing on project communication took place after the approved project seminars, on 3 June and 8 December 2016 respectively.

Communication tools

The Interreg NWE website (www.nweurope.eu) was launched in December 2015. In 2016, 79,082 sessions were opened and 54% of the visitors were new. The Programme's social media accounts reached 3,100 followers on Twitter and 1,100 on LinkedIn. The website hosts project web spaces for each project approved, which is managed by the project communication officers. Nine project web spaces were deployed in June 2016 for projects approved in call 1 and seven in December 2016 for projects approved in call 2.

To enable partner search in each call for proposals, the Interreg NWE website launched a project ideas database. In 2016, 20 project ideas were introduced via this platform.

The website also allows users to "register for alerts". When this report was being written, 1165 users have registered to receive the Programme's updates.

The Programme also worked on the promotion of the results of projects from the 2007-2013 programming period. Throughout the year, the Programme conducted a research on 14 flagship projects from 2007-2013. The results of this research have been used to create the section "Our impact" on the Programme's website, published in February 2017.

Human resources

The Joint Secretariat decided to enlarge the communication team in 2016. A second communication officer was recruited and joined the organisation in February 2017. The main objective of this recruitment is to reinforce our Programme's external communication and visibility, and to enhance its capacity to be a resource centre on the three themes it covers.

11. ADDITIONAL INFORMATION WHICH MAY BE ADDED DEPENDING ON THE CONTENT AND OBJECTIVES OF THE COOPERATION PROGRAMME 1299/2013)

11.1 Progress in implementation of the integrated approach to territorial development, including sustainable urban development, and community-led local development under the cooperation Programme

The NWE Programme applies an integrated approach to territorial development by building on North West Europe's territorial assets. This means that the projects approved by the programme address territorial challenges, link to relevant territorial development policies (e.g. smart specialisation strategies, regional ERDF programmes) or follow a cross-sectoral approach.

At step 1 of the application process, all bidding partnerships are requested to describe the challenge or issue they are aiming to tackle and how relevant the issue / challenge is to the North West European territory. The partnerships also needs to give an overview of the current situation and trends in the sector / field which their project is addressing. This requires describing the existing disparities within the NWE territory in the relevant field/sector.

The most important quality selection criterion of step 1 (55% of the final score) assesses whether the need for the project is justified, if the approach chosen is relevant to NWE and whether the project contributes to reducing disparities on the programme territory.

Similarly, at step 2 of the application, the project relevance is also addressed. The applicants are requested to refine the initial description provided at step 1 to ensure information provided is consistent with the work plan and partnership. The territorial relevance is also incorporated into the quality selection criteria of step 2 assessment, with a lower percentage of final score attributed (15%). This is due to the fact that the relevance is more important at the step 1, where the best and most suitable projects for the Programme are chosen.

The specific approach on integrated actions for sustainable urban development or the community-led local development instruments, as defined in Article 8(3) of the ETC Regulation, are not applied in the NWE Programme. However, following the decision of the MC taken In Brussels in May 2016, social innovation projects (SO1) that promote local community -based approaches with a transnational potential are accepted, as long as they can bring systemic and scalable changes to the territory.

11.2 Progress in implementation of actions to reinforce the capacity of authorities and beneficiaries to administer and to use the ERDF

In 2016, the programme began to implement the simplification measures adopted by the Monitoring Committee and detailed in the Programme Manual.

In particular, the programme makes use of the following simplified costs options which were automatically applied to facilitate the reporting of costs for all beneficiaries:

- A lump sum for preparation costs (EUR 30,000) for all projects approved in step 2

- Staff costs calculated as a 20 % flat rate of direct costs (all costs other than staff costs and office & administration costs)

- A flat rate for the budget line 'office and administration' (15% of staff costs)

Tools for First Level Controllers based on the Harmonised Implementation Tools (HIT) developed by INTERACT (and also further harmonised with the other Interreg Programmes managed by the Hauts-de-France Region) were also provided by the programme (e.g. control report and FLC certificate).

Moreover, to raise awareness and ensure smooth reporting, the Joint Secretariat and the Member States organised numerous seminars for project lead partners and First Level Controllers (FLCs). These events aimed to explain the programme rules and requirements concerning project implementation, reporting and fraud prevention. It should be noted that, as a rule of prevention, the seminars for approved projects are obligatory to all lead partners and strongly recommended to the remaining project partners. Moreover, to present national rules and give partners the possibility to ask questions in their language, those events took place in Lille as well as the individual Member States.

As far as the programme tools are concerned, NWE was actively involved in the redevelopment and maintenance of the electronic Monitoring System (eMS) set up by INTERACT. The system enables the monitoring of projects

and programme implementation as well as electronic exchange of data between programmes and beneficiaries. NWE, together with 24 other programmes involved in the eMS, worked closely in the user group and core group meetings (10-11 February 2016 and 6 October 2016, Vienna) where the future development plans of the system, opportunities for its improvements and additional functionalities were discussed.

11.3 Contribution to macro-regional and sea basin strategies (where appropriate)

The NWE eligible area covers one macro-regional strategy and one sea-basin strategy:

- Atlantic Sea-basin strategy (France, Ireland, UK)

- Danube Macro-Region Strategy (Germany: Baden-Wurttemberg and parts of Bavaria)

The NWE's Programme's Managing Authority and partners are aware of the relevant macro-regional cooperation initiatives, however they do not find it relevant to implement formal coordination mechanisms. For the Atlantic sea-basin strategy, the potential overlap was discussed in the Programme Preparatory Group for NWE 2014-2020, but due to the focus on land rather than maritime issues, there was no real need to align the programme with the AAP. Three specific objectives of NWE (SO1, SO3 and SO4) can be considered as a contribution to the SO 1.1, SO 2.4 and SO 3.1 of the AAP. Nevertheless, none of the NWE SOs is specifically dedicated to the AAP Programme. From the portfolio of projects approved to date, only one project has a potential of contributing to AAP, the FORESEA project (NWE55) approved under SO3 of Priority 2.

As far as the Danube Macro-Region Strategy is concerned, there is only a small geographical overlap with the eligible NWE area. NWE can only marginally contribute to the achievement of the Danube Macro-Region Strategy in the regions of Baden-Wurttemberg and Bavaria. Potential complementarity can be found in Priority 1 and 2, on topics such as innovation, renewable energy development as well as mobility and multimodality (SO1, SO3 and SO4). From the projects approved to date, several can potentially contribute to the Danube strategy in the Baden-Wurttemberg region (ASPECT, B4H, CHIPS, H2Share, RE-DIRECT and SeRaMCo). Nevertheless, their tangible contribution to the strategy can only be monitored with time.

11.4 Progress in the implementation of actions in the field of social innovation

Social innovation constitutes the Type of Action 3 under the Specific Objective 1, Priority 1. Actions envisaged under this ToA aim at the entire NWE territory. They target excluded population or population at risk of exclusion and communities under pressure. Social innovation is given equal importance by the programme to technical innovation.

The first calls for proposals led to the conclusion that the submitted projects had difficulty in fitting into NWE intervention logic, which was evoked at the forth Monitoring Committee meeting in Brussels on 25 May 2016. The high number of submitted projects and a null approval rate led to a discussion and conclusion that the Programme authorities did not share a common understanding on the kind of social innovation projects that the Programme should approve. Upon the request of the Contact Point Network, which evoked this subject in the Brussels MC, the Dutch delegation and CPs proposed a paper serving as a basis for discussion. The paper raised issues linked to the different interpretations given to social innovation and focused on the previous discussions, but also the thematic content of the workshop on social innovation organised by the Two Seas Programme (managed by the same MA) in April 2016. The paper highlighted the difficulties encountered by the applicants. One of the most significant ones was the low ambition of projects and hence their low quality (projects not aligned with the result orientation of the Programme). In addition, the lack of multi-sectoral/ unconventional partnerships that could stimulate social innovation and help achieve real impact on the programme territory was also an issue. The description of the need for social innovation in NWE was equally problematic, the need being tailored to local circumstances, inherently different in the Member States. Consequently, the projects were limited to local elements, which could be considered as best practice for roll-out, but as the roll-out was difficult for the partnerships to deliver, the project impact was automatically limited. Projects combining business and poverty were concluded to be the best niche for the programme funding, even though the social innovation projects would be experimental in character and their real impact difficult to estimate. The scalability and replicability of the social innovation projects as well as the need to foster unusual partnerships was missing, but should allow the measurement of their impact.

The Brussels MC held in May 2016 agreed to keep the social innovation topic broad in order not to rule out any of the potential sub-themes and the diversity of project stakeholders. The MSs also agreed that the most important aspects of social innovation for the programme were the viability of projects and their long-term impact as well as their sustainability (both in terms of environmental sustainability and durability). Finally, the MC also agreed that local community-based approaches with a transnational potential are accepted as long as they can become systemic and scalable. This guidance was provided to the CP network to guide their advisory capacity of the programme in step 1 of the application process.