Reflection Paper

On the implementation of the EU Strategy for the Danube Region

1. INTRODUCTION

Since its endorsement by the European Council in April 2011, the EU Strategy for the Danube Region has started implementing its initiatives and priorities, referring to the Action Plan and its over one hundred actions and examples of projects. After 18 months of implementation, all relevant stakeholders meet for the first time for an Annual Forum, on 27-28 November in Regensburg. This Forum is the first overall possibility to discuss the implementation of the Strategy, to reflect on its added value and to assess best ways forward.

This reflection paper is intended to facilitate the discussions at the Annual Forum. It provides an initial working level assessment on implementation, and raises questions.

The discussions from the Annual Forum will be taken into account when drafting a full implementation report to be submitted by the European Commission to the High Level Group before the end of the year, and to the Council in the first half of 2013. Furthermore, the Council has asked the European Commission to evaluate the concept of macroregional strategies by mid-2013.

2. THE DANUBE REGION HAS GIVEN ITSELF A STRATEGY

The Danube Region covers fourteen countries (eight EU Member States, and six non Member States) and is home to more than 100 million people. The countries are different in terms of their economic strengths. However, as they share one common territory their policies are interdependent and call for improved cooperation, for example closing missing transport links, reducing pollution and the danger from floods, or reducing the dependency on energy providers from outside the Region. Equally importantly the countries are economically strongly interlinked. The competitiveness of the Region depends on joint action in the fields of SME support, labour market policies, education and security. The Danube Region has also been the hot spot of the two last rounds of EU enlargement, and encompasses six countries all developing in various ways their political, socio-economic and sectoral links with the EU, with the need to improve the institutional capacity at all levels.

In April 2011 the Council of the European Union endorsed the Communication by the European Commission on the EU Strategy for the Danube Region (EUSDR) to address these

common challenges. The Danube Strategy and its annexed Action Plan identifies concrete actions and examples of projects in eleven thematic Priority Areas.

The aim of the Strategy is to develop into a durable cooperation framework, allowing policy makers to improve their cooperation and thus increase the effectiveness of policies, at EU, national and local level. It utilises the different existing policies and programmes and creates synergies between them to increase their leverage and impact. As a macro-regional strategy, it follows the new approach of the EU Strategy for the Baltic Sea Region.

Three main achievements can be highlighted:

- The Danube Strategy develops into a wide-ranging cooperation platform to address the commonly identified challenges. 24 Priority Area Coordinators and 14 National Contact Points drive the implementation forward, identifying key stakeholders in the Danube Region, define roadmaps and targets, and advance concrete projects.

- The Strategy brings forward concrete transnational projects with impacts on the Region, such as Ministers of Transport agreeing to step up efforts for maintaining the Danube waterway, the Danube Region Business Forum connecting Small and Medium Sized Danube enterprises or police authorities establishing a law enforcement platform to tackle organised crime in a coordinated way.

- The Strategy produces first results in coordinating different national and EU policies and funds, and paves the way for better coordination in the next financial period. Structural Funds have made possible the finalisation of the second bridge over the Danube between Romania and Bulgaria, national funds provide start-up capital for technology transfer centres, and private funds are lifting ship wrecks from the Danube to ensure safer navigation.

The following chapters report on these achievements, give concrete examples, while identifying areas that need more attention, and raise questions for further discussion.

3. A COOPERATION PLATFORM: FROM A PILOT PROJECT TO A RESPECTED MECHANISM

Following conflicts and separation, and building on the enlargement process of the European Union, the Danube Strategy has put in place a cooperation structure to address common challenges. Four strategic policy objectives have been identified:

(1) Connecting the Danube Region;

(2) Protecting the environment of the Danube Region;

(3) Building prosperity in the Danube Region; and

(4) Strengthening the Danube Region.

Structured through these four pillars, the Danube Strategy provides a framework for policy makers to coordinate national and regional policies both across borders and at different levels.

Topics include key matters such as navigation on the Danube River, water quality and brain drain. This supports practitioners in developing concrete projects, with an impact for the whole Danube Region.

The backbone is a focused organisational structure, based on shared responsibilities. Eleven thematic Priority Areas constitute the heart of the Strategy, i.e. (1) Inland waterways and rail, road and air transport, (2) Energy, (3) Culture and Tourism, (4) Water Quality, (5) Environmental Risks, (6) Biodiversity, (7) Knowledge Society and ICT, (8) Competitiveness and Cluster Development, (9) Investments in People and Skills, (10) Institutional Capacity and (11) Security.

Each Priority Area is coordinated by two Danube countries, the "**Priority Area Coordinators**" (PAC), responsible for coordinating the implementation of the actions from the Action Plan. Priority Area Coordinators, typically national or regional ministries, are supported by their counterparts from the Danube Region, which form eleven "**Steering Groups**".

At **national and regional level**, the implementation is supported by "National Contact Points" (NCP), ensuring the coherence between the different players within national and regional administrations. The role of the NCP is crucial for ensuring a strong and coordinated engagement, in particular of all relevant line ministries. High-level political commitment is ensured through meetings of ministers of foreign affairs and line ministers, and through initiatives by cities and regions.

The **European level** facilitates the implementation and the embedding of the Strategy in EU policies, through continuous contacts to the main stakeholders in the Danube countries, by regular participation of the relevant Directorates General to Danube wide meetings, and through Technical Assistance provided for by the European Parliament to support the work of the Coordinators. The EU programme INTERACT, through its office in Vienna, is an essential additional resource.

Building upon what has already been established the Strategy has also given more prominence and operational support to already existing **institutions** in the Region, such as the International Commission for the Protection of the Danube River (ICPDR), addressing environmental and water quality issues, and the Danube Commission, working on navigability. Civil society actors are included throughout the Strategy, in stakeholder seminars, Steering Groups or the Annual Forum, and are addressed in particular in the Priority Area 10 on "Institutional Capacity".

<u>Achievements and challenges ahead</u>

- The EU Strategy for the Danube Region establishes a new way of policy making, building on linkages between different fields, and leverages between different funds.

- The Strategy **enhances cooperation**, at all levels. In the structure of the 11 Priority Areas, Coordinators have organised 40 thematic coordination meetings, "Steering Groups", with representatives of the Danube Region, six thematic stakeholder conferences, discussing key aspects of implementation with a wide Danube audience, and organising the thematic workshops at the Annual Forum. **Synergies** with existing bodies and initiatives, such as the ICPDR have been established, should be continued and strengthened. Where appropriate they should have an active role in the implementation.

  - *Question: How can links with existing institutions be strengthened?*

- The participation in the **Steering Groups** varies. Together with National Contact Points, work is continuing to make participation more stable, more representative of the whole Region and with a clear mandate.

  - *Question: How to ensure a Danube-wide and stable participation to Steering Groups, with members with a clear mandate?*

- The coordination task of **Priority Area Coordinators** is important and demands resources and political backing. The European Union provides financial support for the start-up phase, contributing to the stability and quality of the work. Support through the future Structural Funds programmes should be envisaged, especially through the transnational cooperation programme in this Region.

  - *Question: Is there a need for additional financial support from the Member States?*

- **National Contact Points**, contribute to embedding the Strategy in the national settings and make policies "think macro-regional". Their coordination task demands resources. Experience shows that national coordination works better in those eight countries, which have installed an inter-ministerial working group for coordinating Danube work at the national level. An even stronger support is assured in those three countries that have introduced an additional coordination platform at the highest political level, with a technical secretariat supporting this work. This is a good practice, which should be encouraged throughout.

  - *Question: Is there a need to communicate the Strategy better to national policy makers? If yes, how can this be achieved?*
  - *Question: Is there a need for additional support to National Contact Points? If yes, how can this be achieved?*

- At **ministerial level**, three meetings of Foreign Ministers stated the political support for the EU Strategy for the Danube Region since its endorsement. Two ministerial meetings, one on transport and the other one on the research and innovation have gathered line ministers, with concrete progress on maintenance of the Danube River and coordinating national and regional research and innovation funds.

  - *Question: How to establish an even better link with the meetings of Danube Foreign Ministers and how to make best use of their commitment for the implementation of the Strategy?*
  - *Question: What is the best role of thematic ministerial meetings in the framework of the Strategy? How to ensure a good integration of these meetings in established structures at European level?*

- A common visual identity, a comprehensive website covering all Priority Areas, a newsletter, and promotional material have been developed, with the strong support of INTERACT.

  - *Is there a need for enhanced communication activities? If yes, which target groups are particularly concerned? How can communication activities be strengthened?*

4. PROJECTS AND POLICIES WITH A DANUBE WIDE IMPACT

The main aim of the Strategy is to improve the Danube Region for the benefit of its 100 million people. The Strategy aims to improve long term policy making in the Region to arrive at better, more effective and more efficient interventions. At the same time it aims at developing and advancing concrete and strategic projects with a macro-regional impact. The selected examples below give a picture of the work to date. In total, the Steering Groups of the Priority Areas have facilitated over seventy new concrete projects, which were also recommended for funding. Furthermore they have identified over sixty existing projects which contribute to achieving the targets of the EU Strategy for the Danube Region. A full report by each Priority Area can be downloaded on the website of the EU Strategy for the Danube Region (www.danube-region.eu).

- At the invitation of the Commission, the ministers of Transport of the Danube Region adopted on 7 June 2012 a declaration on the maintenance of the Danube waterway, committing themselves to concrete measures, including surveillance of water-depth and signalling navigation routes in shallow sections. This has in turn led to an agreement between Romania and Bulgaria to plan together and share equipment for common work.

- The cooperative approach has facilitated the finalisation of the Calafat-Vidin Bridge. The bridge is co-financed by the EU Structural Funds, and is only the second bridge along the 630 km Romania-Bulgaria border, closing a missing link in the Trans European Transport Network.

- A new project on innovative vessels is developing technological solutions to renew the Danube fleet, e.g. through more efficient and cleaner engines, and better design of ship body. In addition, the Commission's Directorate General for Research and Innovation has launched a call for research projects on an innovative fleet for inland waterways. This will contribute to the overall goal to increase cargo transport on the river by 20% by 2020 compared to 2010 in a sustainable way.

- Shipwrecks of approximately 15.000 tons will now be removed from the Danube, Sava and Tisa, improving navigation and ecological conditions. The project, which was initiated by the Serbian Chamber of Commerce, will be financed completely by the private sector, re-selling the removed steel.

- Work on the Bulgaria-Serbia gas interconnector project is facilitated, which links the Baltic Sea area to the Adriatic and Aegean Seas and further to the Black Sea. The gas pipeline will be 150 km long and improves the natural gas network interconnections, as well as diversifying natural gas routes and sources for both countries.

- A Danube tourism brand is being developed, to position the Region on the global tourism market. This will be supported by a network of main tourism stakeholders, to ensure better coordinated action and knowledge exchange. After an analysis of global tourism trends relevant for the Region, the project aims at setting up a single decision-making authority to coordinate different destinations.

- The Commission's Directorate General for Research and Innovation has launched in summer 2012 a call for research projects to design environmental research and improve teh uptake of results in the Danube Region. It is expected that this call will result in a

significant mobilisation of all actors and resources from public (national or EU) and private sources for higher investment in research and innovation towards an efficient river-delta-coast-sea management of the region.

- The Joint Research Centre has launched an initiative to provide scientific support to the Danube Strategy, in cooperation with key partners from the Region. Work has already started on the setting-up of Danube-wide reference scientific data sets, which will allow policy makers and other stakeholders to access comparable and harmonised data on common challenges, such as water and soil quality, or landscapes.

- The Danube Sturgeon Task Force has been created to secure viable populations of sturgeon species in the River. It encompasses a cluster of projects, measures and initiatives for bringing the Sturgeon back. The value of this action is its cross-cutting dimension, linking biodiversity to policy areas such as water quality, permeability of habitats, economic development, environmental education and prevention of crime (related to illegal caviar trade).

- The DANUBE FLOODRISK project finds and assesses common methods and common databases that countries can adopt. 19 institutions all along 8 Danube countries participate. The project has already produced tangible results such as the "Manual of harmonized requirements on the flood mapping procedures for the Danube River", which is an important step towards shared databases.

- Work has started to create a fund specifically for the Danube Region pooling national and regional funds, in a Danube Research and Innovation Fund, building on the experiences of the BONUS programme in the Baltic Sea Region. On 9 July 2012 in Ulm, Research Ministers of the Danube Region expressed their commitment to consider the establishment of a joint fund, coordinating national funds.

- The Danube Business Forum, organised for the first time in 2011, provides the first networking platform for Small and Medium Sized Enterprises in the Danube Region. With a specific thematic focus, it brings together over 300 SME and induces over 200 planned Business-2-Business meetings, while at the same time supporting links to knowledge providers, such as research institutes and universities. The second Danube Business Forum focused on environmental technologies and took place on 8-9 November 2012.

- Technology Transfer Centres will be established in the Danube Region, to improve the links between academia and the private sector. As a pilot project, three technology transfer centres will be set up, attached to important Danube Region universities.

- In a pilot project, 16 Danube schools and over 400 students are working together to develop innovative training courses and international, creative, educational programmes that promote dialogue between cultures, active citizenship and commitment to sustainable development. An innovative guide for teachers will be developed to apply throughout the Danube Region.

- The Danube Financing Dialogue, organised for the first time in 2012, matches excellent project ideas with funds to support the implementation of the Danube Strategy. The platform brought over 200 concrete project ideas together with banks, international

financing institutions and funding programmes. The second Danube Financing Dialogue will be held on 24-25 January 2013.

- Police authorities of the Danube Region have established for the first time a cooperation framework to increase jointly the safety and security of the Danube, to coordinate measures against river related crimes (incl. organised crime) and to establish a transnational law enforcement platform for the Danube Region. The project is funded through multiple sources, including IPA Cross-border Cooperation assistance, the External Borders Fund and the South East Europe Transnational Cooperation Programme. To start the cooperation, a high-level police chief meeting was held in January 2012 in Munich. In addition, EUROPOL launched a specific project on threat analysis for the Danube Region.

Achievements and challenges ahead

- The Action Plan of the EU Strategy for the Danube Region contains over one hundred actions and examples of projects. In the first year of implementation, Priority Area Coordinators translated these actions into **operational steps**, with targets, milestones, and responsibilities. This is a challenging task, and a continuous follow up is needed to ensure that actions are contributing to the overall goals and targets. Steering Groups and Priority Area Coordinators (PAC) have a key task in further facilitating policy coordination and concrete project development. Good examples already exist. PACs have developed good practices for recommending projects.
  - *Question: How to ensure that the implementation is guided by the strategic challenges for the Region?*
  - *Question: What is the role of the targets for the Strategy?*
  - *Questions: Can a common approach in recommending projects increase the potential of the instrument vis-à-vis funding institutions?*

- There are good practices of policy coordination, which derive directly from the EU Strategy for the Danube Region. Links to already established processes at European level would give more prominence to these processes and help its implementation.
  - *Question: How can there be better links to already existing processes at EU, or sub-regional level?*

- The development and financing of transnational infrastructure projects is being advanced, utilising current and future instruments and programmes at EU, national and regional level.
  - *Question: How can the development and financing of transnational infrastructure projects be facilitated? Who could facilitate the different steps?*

5. MAKING THE MOST OF WHAT IS THERE: ALIGNING FUNDING SOURCES AND CREATING SYNERGIES

The main underlying principle of macro-regional strategies is a better-coordinated utilisation of resources and knowhow already available to the Region. In the current financing period of EU

funds, the EU Strategy for the Danube Region has achieved first successes aligning policies and programmes to the Strategy, offering a concrete way to coordinate different instruments and policies.

- The Structural Funds financed infrastructure projects such as the second bridge crossing the Danube River at the 630 km long Romanian-Bulgarian border. Other projects, such as the wastewater treatment plant in Budapest, ensuring better water quality throughout the Region, or a touristic bridge linking Austrian and Slovakian biking trails are further good examples of Structural Funds infrastructure projects contributing to the goals of the Strategy.

- Two cross border programmes, i.e. Romania- Serbia, and Hungary Serbia were aligned with the Strategy, using specific calls or attributing extra points in the selection procedure.

- The two transnational cooperation programmes, South East Europe and Central Europe, have financed five new Danube Strategy projects, with an overall budget of over EUR 10 million. A strong signal was sent from Serbia, earmarking EUR 19 million for Danube Strategy specific projects in the 2011 budget for the Pre-Accession Instrument.

- The 7th Framework Programme for Research, has launched three calls specifically addressing Danube Region challenges; Programmes by the Directorate General for Enterprise and Industry have supported transnational sustainable tourism in the Danube Region; The Danube River is considered in its full length in the revised guidelines for the Trans-European Transport Networks, allowing for funding in the TEN-T programmes.

- Danube Research Ministers, with the support of preparatory projects, have agreed to consider a pooling of national and regional funds to a common Danube Region Research and Innovation Fund.

- The European Parliament has proposed a pilot project and a preparatory action for the Danube Region, allowing the European Union to support the Priority Area Coordinators in the years 2012-2015 with Technical Assistance, and to support innovative solutions for the implementation of the Strategy.

- The state of Baden Württemberg has set aside funds to support the implementation of the EU Strategy for the Danube Region, with a special focus on providing support for the initial phase of projects with an explicit macro-regional impact.

- The European Investment Bank has set up, together with Hungary, the Budapest Danube Contact Point to facilitate the development of transnational investment projects.

- The Danube Financing Dialogue by Priority Area 10 “Institutional Capacity Building”, has been established in 2012 and serves as a on-going platform to bring together Danube-projects with banks, funding programmes and financing institutions.

- There is work towards a Danube Implementation Facility, to support project holders in their initial phase of setting up transnational projects.

- The EU programme INTERACT facilitates the implementation of the Danube Region, in particular with regard to communication activities in the broad sense.

With regard to the next financial perspective of 2014-2020 it is crucial that programmes and policies can be further utilised for the implementation of the Danube Strategy. Here as well, first achievements can be highlighted. With regard to Structural Funds, the Commission explicitly emphasised the importance of macroregional strategies in its Common Strategic Framework, the strategic document for the five funds under joint management, namely the Cohesion Fund, the European Regional Development Fund, the European Social Fund, the European Fund for Agriculture and Rural Development and the European Fisheries Fund.

In its draft Regulations the Commission proposes that macro-regional Strategies feature in all Partnership Contracts with the Danube States. Furthermore, where macroregional strategies exist, all relevant Operational Programmes, country specific and cooperation programmes, will take the respective macroregional strategy into account. This ensures better availability of funding for the EU Strategy for the Danube Region in the future.

The Commission proposes to modify the current geography of transnational cooperation programmes within the Structural Funds, in order to create a future transnational cooperation programme for the Danube Region. The added value lies in concrete financing of Danube Region projects, as well as in providing technical assistance to the governance structure of the Strategy.

Achievements and challenges ahead

- Progress has been made in making use of existing policies and programmes for the implementation of the EU Strategy for the Danube Region. A preliminary broad agreement was reached between the European institutions to use programmes of the 2014-2020 financial period, in particular the Structural Funds Programmes, even better for the implementation of the Danube Strategy.
  - *Question: In which ways shall future Structural Funds programmes take the EU Strategy for the Danube Region into account?*
  - *Question: How to facilitate the consideration of the Strategy in future EU programmes? What shall be the roles of National Contact Points/ Priority Area Coordinators/ Steering Groups and the European Commission in this process?*
- There is a potential to use transnational, and thematically focused expertise of the Priority Area Coordinators and Steering Groups for implementing EU programmes in the Region.
  - *Question: How can there be an improved link between National Contact Points/ Priority Area Coordinators/ Steering Groups and programming authorities?*
- The current INTERACT programme already facilitates the implementation of the Danube Strategy. The Commission proposes to create a transnational cooperation programme for the Danube Region in the future financial period, starting 2014.
  - *Question: What can be the role of the future INTERACT programme and the future transnational cooperation programme in facilitating the implementation of the Danube Strategy?*