



## **EU STRATEGY FOR THE DANUBE REGION**

### **IMPLEMENTATION REPORT OF EUSDR PRIORITY AREA 10**

#### **“Stepping Up Institutional Capacity and Cooperation”**

**Reported period: from 07/2015 to 06/2016**

**(FINAL VERSION)**

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## LIST OF ABBREVIATIONS

CEF	Centre of Excellence in Finance
CEI	Central European Initiative
CoDCR	Council of Danube Cities and Regions
CoR	Committee of the Regions
D-CAP	Danube Developing Capacities Platform
D-FIP	Danube Financing and Investment Platform
D-LAP	Danube Local Actors Platform
DFD	Danube Financing Dialogue
DG	Directorate-General
DG EMPL	Directorate-General for Employment and Social Affairs
DG NEAR	Directorate-General Neighbourhood and Enlargement Negotiations
DG REGIO	Directorate-General for Regional and Urban Policy
DSP	Danube Strategy Point
DTP	Interreg Danube Transnational Programme
EC	European Commission
EESC	European Economic and Social Committee
ENP	European Neighbourhood Policy
ESF	European Social Fund
ESIF	European Structural and Investment Funds
ERDF	European Regional Development Fund
ETC	European Territorial Cooperation
EU	European Union
EUSAIR	EU Strategy for the Adriatic and Ionian Region
EUSALP	EU Strategy for the Alpine Region
EUSDR	EU Strategy for the Danube Region
FRA	Fundamental Rights Agency
IDM	Institute for the Danube Region and Central Europe
IPA	Instrument for Pre-Accession Assistance
JRC	Joint Research Centre
MRS	Macro-regional strategies
NC	National Coordinator
NGO	Non-Governmental Organisation
NPO	Non-Profit Organisation
OP	Operational Programme
PA2	Priority Area 2 “Energy”
PA8	Priority Area 8 “Competitiveness”
PA9	Priority Area 9 “Investing in People and Skills”
PA10	Priority Area 10 “Stepping up Institutional Capacity and Cooperation”
PAC10	Coordinator of Priority Area 10 of the EUSDR
RCC	Regional Cooperation Council
SEE	Southeast Europe
SG	Steering Group
SME	Small and Medium Enterprises
START	Danube Region Project Fund
TAF-DRP	Technical Assistance Facility for Danube Region Projects
TEU	Treaty of the European Union
TFEU	Treaty on the Functioning of the European Union
UPDR	Urban Platform Danube Region

## 1 EXECUTIVE SUMMARY

### *Question 1: Summary of progress achieved during the reporting period.*

*Priority Area 10 “Stepping Up Institutional Capacity and Cooperation” (PA10) of the EU Strategy for the Danube Region (EUSDR) is coordinated jointly by the City of Vienna and the Center of Excellence in Finance (CEF), Ljubljana. It deals with four issues that are crucial for fostering social, economic and territorial cohesion in the 14 countries of the Danube Region. In this context, institutional capacity can be seen as pre-condition for institutional cooperation, and hence for macro-regional cooperation with a view to smart, sustainable and inclusive growth in the Danube Region.*

*In the reporting period, PA10 has consolidated and strengthened its working structures for the implementation of its four main topical areas:*

- Capacity development;*
- Involvement of civil society as well as the local and regional levels;*
- Establishment of a city network;*
- Building new tools for innovative financing of EUSDR projects, including seed money.*

*Each of these topics is of high relevance for making regional policy as well as enlargement and neighbourhood policy a success. In this respect, in the aforementioned reporting period, PA10 has intensified its relations with relevant networks and institutions such as the Central European Initiative, the Regional Cooperation Council and the Carpathian Convention. In the field of Regional Policy, PA10 has continued advocating the major role of the cities and metropolitan regions in fostering cohesion in the Danube Region and also in making the EUSDR a success. Moreover, in order to safeguard the transparency of the Strategy and the participation of citizens, PA10 has established a platform for local actors in the Danube Region.*

*In order to start processes and projects of strategic importance and with macro-regional relevance, PA10 (City of Vienna) continued the implementation of the Danube Investment Facility. In this framework PA10 has developed innovative solutions for the development of projects in the Danube Region, such as*

- The Technical Assistance Facility for Danube Region Projects (TAF-DRP);*
- The START*
- Danube Region Project Fund;*
- The Danube Financing Dialogue (DFD);*
- The EuroAccess online search tool for funding.*

*These projects shall set the appropriate macro-regional incentives in order to complement the enhanced use of existing institutions legislation, and funding in the Danube Region.*

*The City of Vienna upholds social values such as human rights, social inclusion, and gender equality. In this respect, in the framework of the EUSDR, PA10 has undertaken a number of activities in important fields of social cohesion. A joint resolution with respect to the refugee and migration crisis was issued by the Council of Danube Cities and Regions, the 2<sup>nd</sup> Participation Day of the EUSDR and the ARGE Donauländer. Moreover, PA10 has started a cooperation mechanism with the Fundamental Rights Agency and the Regional Implementation Initiative with regards to action against human trafficking. PA10 has also pursued its activities in the field of the inclusion of marginalised communities in the Danube region, e.g. Roma.*

*In the period from June 2015 to June 2016, PA10 has paid particular attention to the non-EU Member States in the Danube Region, for both (potential) candidate countries and countries addressed through the European Neighbourhood Policy (ENP). PA10 has thereby, i.a. through capacity development activities, identified the potential of macro-regional strategies at the heart of European integration, i.e. at the interfaces of regional and enlargement policies.*

## 2 PROGRESS OF THE PA

### 2.1 PROGRESS ON POLICY LEVEL

#### 2.1.1 POLICY AREAS AT FOCUS

*Question 2: What are the policy areas (important policy topics/thematic issues) that the PA selected as main focus (i.e. priority) for work during the reporting period?*

*The main policy areas of PA10 are:*

- Economic, social and territorial cohesion (TFEU art. 4)*
- Administrative cooperation (TFEU art. 6)*
- Education, vocational training, youth and sport (TFEU art. 6, with regards to institutional capacity)*

*Moreover, several cross-cutting issues apply to PA10:*

- EU citizenship (civil dialogue, participation)*

*EU Enlargement and Neighbourhood Policy*

*Question 3: What are the main arguments for selecting those policy areas as priority ones?*

*The policy areas of PA10 comply with the actions of the Action Plan<sup>1</sup> of PA10.*

*Moreover, institutional capacity issues are addressed in the framework of the European Semester and in the SEE 2020 Strategy.*

#### 2.1.2 MAIN POLICY ACHIEVEMENTS

*Question 4: Based on what has been reported under section 2.1.1: what are the PAs' main policy achievements and developments during the reporting period?*

*In the above-mentioned policy and horizontal fields of action, PA10 has acted mainly at the interfaces of regional and enlargement/neighbourhood policies.*

*Moreover, PA10 has launched incentives in the framework of the refugee crisis and respective statements were issued by the subnational political level of the EUSDR at the occasion of the Annual Forum in Ulm (cf. statements by the Council of Danube Cities and Regions, ARGE Donauländer and Participation Day). PA10 has widely contributed to the bottom-up aspect of the Strategy and thereby ensured its compliance with art. 10 and 11 of the TEU (participation of citizens in EU processes).*

*In the field of Capacity development, PA10 held a stakeholder conference on the Public Governance as the Foundation of European Integration Bringing together most important regional players in the area of governance / public administration, EU and international institutions addressing these issues. PA10 continued to provide capacity development initiatives for EUSDR stakeholders addressing IPA (an EU) funding and soft skills development such as writing strategic projects and challenges of decision making. In the field of the Participation of Civil Society, PAC10, in line with the Action plan of the EUSDR, has continued its cooperation with the EESC and has continuously drawn the attention on the importance of involving NPOs and NGOs, as well as associations and social partners. In the reporting period, especially the importance of civic engagement in relation to the refugee and migration crisis was highlighted.*

*In the field of Urban policies, PA10 continued its contribution to the Urban Agenda. Again, the issue of the refugee and migration crisis was highlighted. The Urban Platform Danube Region continued to provide information on funding for urban projects to the stakeholders in the cities of the Danube Region. The city*

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<sup>1</sup> (SEC(2010) 1491 final)

*Question 4: Based on what has been reported under section 2.1.1: what are the PAs' main policy achievements and developments during the reporting period?*

*of Vienna contributed to the process of the urban agenda. Projects were developed and cities received consultancy for project development.*

*In addressing the financing challenges of the Danube region, the PA10 offered capacity development and successfully implemented special projects for financing of EUSDR project ideas development (TAF-DRP), offered seed money for small projects (START), and developed an on-line search tool for funding for the Danube region countries / projects.*

### **2.1.3 POLICY LESSONS LEARNED**

*Question 5: Based on what has been reported in sections 2.1.1 and 2.1.2: what are the policy related lessons learned (positive or negative) from the PAs implementation during the reporting period (with focus on those that are important for the future EUSDR policy development)?*

*PACs still need to justify and lobby in order to communicate the added value of macro-regional strategies. PA10 has identified gaps between enlargement policy and regional policy of the EU as useful room for manoeuvre for the EUSDR and has cooperated with respective relevant institutions, such as the CEI or the RCC.*

*In order to increase the institutional performance on the macro-regional policy level, PA10 has started the cooperation with the European Commission (EC), and also with other DGs apart from DG Regio.*

### **2.1.4 FUTURE POLICY DEVELOPMENT**

*Question 6: Based on what has been reported in section 2.1.3: what next steps and challenges for future policy development the PA finds important to share for further consideration discussion or development (incl. possible solutions to overcome the challenges)?*

*PA10 will further explore the potential interfaces between EUSDR and development cooperation on the Western Balkans, as well as the potential for start-ups and seed money as a follow-up of the Danube Financing Dialogue. PA10 intends to explore further the transferability of practices for participation. There is a need to further mobilise the participation of cities in the macro-region in order to bring the Strategy on the ground. On the supranational level, it would be beneficial to reach out to DG NEAR and EMPL for the topics of enlargement/neighbourhood and institutional capacity respectively. Closer cooperation with operational programmes is needed. With regard to this, the EUSDR may help to make the urban agenda a reality in the Danube Region.*

## 2.2 PROGRESS ON PA'S TARGETS

Table 1: Progress on targets during the reporting period

PA Targets (number and wording of the target)	Progress during the reporting period				Clarifications
	Completed	Satisfactory progress	Delayed progress	Other	
(a)	(b)	(c)	(d)	(e)	(f)
1) Improve World Bank governance indicators related to government effectiveness, regulatory quality and control of corruption in comparison to 2011	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>	While majority of Danube region countries' government effectiveness index increased, a slight decrease was noted in Austria, Bulgaria and Slovenia. In terms of regulatory quality, the results are not optimistic, as indices for 7 countries (6 of them EU member states) decreased. Progress on control of corruption was also partial, as 7 countries' indices reduced (BG, CZ, HU, MD, RO, SK, UA) in comparison to 2011.  (Please note that the latest available data were used, i. e. for 2014. Source: <a href="http://info.worldbank.org/governance/wgi/index.aspx#home">http://info.worldbank.org/governance/wgi/index.aspx#home</a> )
2) 80 % of participating countries involve the national, regional and local authorities and CSOs through annual National (provincial) EUSDR Hearings in cooperation with the National Coordinators of the EUSDR	<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>	So far, National Hearings were held in AT, BG, DE, RS, and UA. A second Hearing in AT is to be held in September 2016.
3) The UPDR helps to generate, through the exchange of information and the support, on all levels of cooperation, for 25% of UPDR Member organisations at	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>	While the involvement of cities would be very beneficial for the future implementation of the Strategy, their commitment has so far been rather limited. PA10 aims at enhancing the participation of cities i.a. through the identification of

PA Targets (number and wording of the target)	Progress during the reporting period				Clarifications
	Completed	Satisfactory progress	Delayed progress	Other	
(a)	(b)	(c)	(d)	(e)	(f)
least one Urban Danube Project, furthering the aim of better spending					responsible stakeholders in the cities' administrations.
4) Increase the average absorption rate of EU funds in the Danube Region in comparison to 2007-2013 period	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X	The progress of this target cannot be evaluated yet as the spending related to 2014-2020 only just started.

*Question 7: Based on the information provided in Table 1, what is the PAs overall self-evaluation with regards to reaching the applicable targets? Any other positive experience or other important information to that respect that the PA considers necessary (or good) to be shared should be included here as well.*

*The targets are realistic and contribute to the overall implementation of PA10. In order to be successful and to comply with the principle of multi-level governance, it is essential that the EUSDR involves both civil society and the cities in the Danube Region in order to bring the Strategy on the ground.*

*Question 8: What, if anything, was/is missing in order to achieve the progress in reaching the targets as previously planned?*

*It remains a challenge to involve stakeholders from the cities of the Danube Region and institutions in charge of public administration. Nevertheless, in order to implement the Strategy as a whole, it is crucial to involve cities. One main challenge for PACs is the fact that they still need to lobby for their own cause while at the same time, they are supposed to implement the Strategy. It would be beneficial to involve also other DGs apart from DG Regio. However, PACs are often confronted with the perception that the Strategy is limited to regional policy.<sup>2</sup>*

*Question 9: Are there any plans (or needs) for revising/updating the list of targets, applicable for the PA? If so, please provide details.*

*The targets upon which the SG agreed at its meeting of 12 June 2015 at its 8<sup>th</sup> meeting in Ljubljana are still valid and were confirmed by the Steering Group (SG) at the occasion of its 10<sup>th</sup> meeting in Sarajevo on 14-15 April 2016.*

<sup>2</sup> For instance, see article 25 of the regulation 1288/2013 establishing the Erasmus+ programme.

## 2.3 PROGRESS ON PA'S ACTIONS

Table 2: Progress on actions during the reporting period

PA Targets (number)	Progress on action for reaching the targets during the reporting period							
	A1 <i>To combat institutional capacity and public service related problems in the Danube region</i>	A2 <i>To improve the trust of citizens and stakeholders in political authorities</i>	A3 <i>To establish a Danube Civil Society Forum</i>	A4 <i>To ensure sufficient information flow and exchange at all levels</i>	A5 <i>To facilitate the administrative cooperation of communities living in border regions</i>	A6 <i>To review bottlenecks relating to the low absorption rate of EU funds and to ensure better coordination of funding</i>	A7 <i>To support the development of local financial products for business and community development</i>	A8 <i>To examine the feasibility of a Danube Investment Framework</i>
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	ASP							
2		ASP	ACcp	APD				
3				APD	ANS			
4	ASP					ASP	ASP + APD	APD

Legend:

ASP	actions, whose implementation is satisfactory progressing (according to what was initially planned in the Roadmap);
APD	actions, whose implementation is progressing with delays (comparing to what was initially planned in the Roadmap);
ACcp	actions completed in current reporting period;
ACpp	actions completed in previous reporting period(s);
ANS	actions, whose implementation has not started yet;

Question 10: Based on the information provided in Table 2, what is the PA's overall self-evaluation regarding the progress in implementing the actions? A positive experience or other important information to that respect that the PA considers necessary (or good) to be shared should be included here as well.

*Due to their 'cross-sectoral' and 'soft' character, actions of PA10 can be assessed only in a limited way like 'hard' actions. With regard to information flow (action 4), Flash Eurobarometer 423<sup>3</sup> carried out in June 2015 indicates that the knowledge about the EUSDR among the citizens in the EU member states of the Danube Region remains rather limited, especially among young people and in Croatia, Hungary, and Romania. Therefore actions that focus on young people shall be privileged when sustaining the information flow among actors, also in view of the future of the Strategy, new instruments, programmes and projects.*

*Question 11: What, if anything, was/is missing in order to achieve the progress in implementing the actions as previously planned?*

*For Action 1, a closer cooperation with the national levels and institutions in charge of public administration is required. To some degree, cooperation with governments' human resources departments and public administration academies has been established, but close cooperation is a challenge as these institutions typically do not have an extensive track record in international collaboration. It would be beneficial for PA10 to establish closer cooperation with educational institutions for the (continuing) education of civil servants as well as with relevant managing authorities of the Operational Programmes (OP) implementing Thematic Objective 11 ("Enhancing institutional capacity of public authorities and stakeholders and efficient public administration") in the Danube Region. Moreover, as mentioned in the report submitted to the Commission in 2015, cooperation with the task force for better implementation (DG REGIO) could be envisaged (potentially in cooperation with the EUSAIR).*

*For Action 2, trust of citizens in political authorities is generally decreasing in the Danube Region and especially in the Western Balkans. The EUSDR can serve as a catalyst in order to strengthen the trust into regional policy.*

*For Action 4, a stronger involvement of regional and local authorities would be beneficial in order to bring the Strategy on the ground.*

*For Action 5, a closer cooperation with managing authorities of the EU funding programmes including ETC programmes might be beneficial. Especially the cooperation with Interreg A programmes (cross-border programmes) should be enhanced.*

*While activities regarding Actions 6, 7 and 8 - such as the pilot projects START, TAF, DFD or EuroAccess - have been/are being effectively and smoothly implemented, it became obvious that there is a very considerable need for seed money in order to develop project ideas that are further linked to various EU funding schemes and thus enhance absorption rates. Also, the investment in comprehensive project management skills for project promoters proves extremely useful as there is still a huge lack of experience with the implementation of EU funded projects and/or application for other financing instruments among stakeholders throughout the Danube Region.*

*Question 12: Are there any plans (or needs) for revising/updating the actions, applicable for the PA? If so, please provide details.*

*Action 3 can be considered accomplished. However, the related target 2 cannot be considered as reached. New PA10 Actions should particularly comply with the principle of Multi-Level-Governance. A process to reach new actions should be as transparent as possible and be publicised in due time.*

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<sup>3</sup> See [http://ec.europa.eu/regional\\_policy/sources/docoffic/official/reports/eurobarometer/423/citizen\\_awareness\\_report\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docoffic/official/reports/eurobarometer/423/citizen_awareness_report_en.pdf) ; page 80-82.

## 2.4 PROGRESS ON MILESTONES

Table 3: Progress on milestones during the reporting period

PA Actions (numbers)	Progress on milestones during the reporting period									
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
A1	N/A									
A2	N/A									
A3	N/A									
A4	N/A									
A5	N/A									
A6	N/A									
A7	N/A									
A8	N/A									
A9										
A10										
A11										
A12										
A13										
A14										
A15										
A16										
A17										

Legend:

MSP	milestones that are satisfactory progressing (according to what was initially planned in the Roadmap);
MPD	milestones that are progressing with delays (comparing to what was initially planned in the Roadmap);

MCcp	milestones completed in current reporting period;
MCpp	milestones completed in previous reporting period(s);
MNS	milestones, whose implementation has not started yet;

*Question 13: Based on the information provided in Table 3, what is the PAs overall self - evaluation regarding the progress in reaching the milestones? A positive experience or other important information to that the PA considers necessary (or as good) to be shared should be included here as well*

N/A

*The Actions of PA10 primarily address qualitative structures and procedures that cannot be quantified and separated in single milestones that, in turn, are arranged in a roadmap. Thus, PA 10 traditionally does not apply milestones and roadmaps for the activities both planned and implemented.*

*Question 14: What, if anything, was/is missing in order to achieve the progress in reaching the milestones as previously planned?*

N/A

*See above.*

## 2.5 PROGRESS ON ACTIVITIES

Table 4 Activities undertaken to progress on PA implementation

PA Actions (numbers)	Activities undertaken during the reporting period to progress on PA implementation
(a)	(b)
<p>A1</p> <p><b>To combat institutional capacity and public service related problems in the Danube region</b></p>	<ul style="list-style-type: none"> <li>▪ IPA II Novelties workshop, Ljubljana, February 2016</li> <li>▪ Annual Forum: workshop on EU Strategy for the Danube region (EUSDR) and Danube Transnational Programme, Ulm, October 2015</li> <li>▪ Annual Forum: workshop on Building institutional and administrative capacities in the Danube Region on a transnational and cross-border basis, Ulm, October 2015</li> <li>▪ Conceptual meeting for a Business Concept for the follow up of DANTE4PA, Ljubljana, February 2016</li> <li>▪ Launch of EUSALP (Conference), Brdo pri Kranju, January 2016</li> <li>▪ Writing Strategic Documents workshop, Ljubljana, February 2016</li> <li>▪ Meeting DG Regio "Task force on better Implementation", Brussels, October 2015</li> <li>▪ CEE e Dem and e Gov Days, Budapest, June 2016</li> <li>▪ D-CAP workshop on Challenges of Decision Making, Ljubljana, June 2016</li> <li>▪ E-Government in Germany, Vienna, June 2016</li> <li>▪ Conference: Public Governance as the foundation of European Integration, Vienna, June 2016</li> </ul>
<p>A2</p> <p><b>To improve the trust of citizens and stakeholders in political authorities</b></p>	<ul style="list-style-type: none"> <li>▪ National Hearing Novi Sad, September 2015</li> <li>▪ Strengthening Civil Society Involvement in Assisting the Government with the Implementation of the EU Strategy for the Danube Region , Odessa, October 2015</li> <li>▪ Participation Day Ulm, October 2015</li> <li>▪ National Hearing Sofia, March 2016</li> <li>▪ Launch of EUSALP (Conference), Brdo pri Kranju, January 2016</li> </ul>
<p>A3</p> <p><b>To establish a Danube Civil Society Forum</b></p>	<ul style="list-style-type: none"> <li>▪ National Hearing Novi Sad, October 2015</li> <li>▪ Strengthening Civil Society Involvement in Assisting the Government with the Implementation of the EU Strategy for the Danube Region , Odessa, October</li> <li>▪ National Hearing Sofia, March 2016</li> <li>▪ Participation Day Ulm, October 2015</li> <li>▪ Preparation activities for the 4th Participation Day in Bratislava</li> <li>▪ Two meetings of the Danube Local actors Platform (D-LAP), December 2015 and May 2016</li> <li>▪ Meeting with EESC, January 2016</li> </ul>
<p>A4</p> <p><b>To ensure sufficient information flow and exchange at all levels</b></p>	<ul style="list-style-type: none"> <li>▪ DSP Meeting January 2016</li> <li>▪ NC-PAC meetings, 2016</li> <li>▪ Launch of EUSALP (Conference), Brdo pri Kranju, January 2016</li> </ul> <p><u>Activities in the field of regional and urban policies</u></p>

<i>PA Actions (numbers)</i>	<i>Activities undertaken during the reporting period to progress on PA implementation</i>
<i>(a)</i>	<i>(b)</i>
	<ul style="list-style-type: none"> <li>▪ <i>Participation in CoDCR Meeting, July 2015</i></li> <li>▪ <i>Participation in meeting of ARGE Donauländer, September 2015</i></li> <li>▪ <i>Ljubljana Forum: Empowering Cities and People, September 2015</i></li> <li>▪ <i>Interact Point Vienna Regional Network- Eighth Annual Meeting, October 2015</i></li> <li>▪ <i>Meeting with Urban Planning Department of the city of Ljubljana, October 2015</i></li> <li>▪ <i>8<sup>th</sup> CoDCR Conference, Ulm, October 2015</i></li> <li>▪ <i>Arge Donauländer Meeting, Ulm, October 2015</i></li> <li>▪ <i>Annual Forum, Ulm, October 2015</i></li> <li>▪ <i>Participation in Nordregio Forum, October 2015</i></li> <li>▪ <i>10<sup>th</sup> Meeting of the PA10 Steering Group, Vienna, December 2015</i></li> <li>▪ <i>Meeting on mountain dimension of EUSDR - Capacity building, December 2015</i></li> <li>▪ <i>Meetings with CoR representatives, January 2016</i></li> <li>▪ <i>CoDCR Executive Committee, Bratislava, February 2016</i></li> <li>▪ <i>Meeting with RO NC, March 2016</i></li> <li>▪ <i>Danube-Connecting Serbia with Trans-European Transport and Energy Networks, Novi Sad</i></li> <li>▪ <i>PA11 SG Meeting, Den Haag, May 2016</i></li> <li>▪ <i>Meeting PA1b/PA10/CEF, Ljubljana, June 2016</i></li> <li>▪ <i>DTP Project meeting, Vienna, June 2016</i></li> </ul> <p><i><u>Activities in the field of cooperation with research institutions</u></i></p> <ul style="list-style-type: none"> <li>▪ <i>Participation Danube S3 Workshop: "Gathering opportunities around RIS3 priorities", July 2015</i></li> <li>▪ <i>Cooperation with Vienna University of Technology, department for spatial planning, on-going</i></li> <li>▪ <i>Conference IDM, November 2015</i></li> <li>▪ <i>Conference of Centre for Social Innovation, Vienna, November 2015</i></li> <li>▪ <i>Cooperation with JRC</i></li> </ul> <p><i><u>Activities in the fields of social policies and civil society involvement</u></i></p> <ul style="list-style-type: none"> <li>▪ <i>Internat. Round Table: Health and Gender Aspects and Implications of Human Trafficking, September &amp; November 2015</i></li> <li>▪ <i>Participation in Eurocities Task Force for Roma Integration, December 2015</i></li> <li>▪ <i>Conference for ROMACT and ROMED Instruments, DG Empl, November 2015</i></li> <li>▪ <i>Conference on Social Partnership, Vienna, November 2015</i></li> <li>▪ <i>EC event about cooperation to integrate most deprived people at the local level, December 2015</i></li> <li>▪ <i>Int. Round Table: Beyond Human Trafficking and Modern Day Slavery, Vienna, June 2016</i></li> </ul>
A5	<ul style="list-style-type: none"> <li>▪ <i>Interact Point Vienna Regional Network- Eighth Annual Meeting, October 2015 (INTERREG A)</i></li> </ul>

<i>PA Actions (numbers)</i>	<i>Activities undertaken during the reporting period to progress on PA implementation</i>
<i>(a)</i>	<i>(b)</i>
<b><i>To facilitate the administrative cooperation of communities living in border regions</i></b>	
A6 <b><i>To review bottlenecks relating to the low absorption rate of EU funds and to ensure better coordination of funding</i></b>	<ul style="list-style-type: none"> <li>▪ <i>Danube Macro Region Business Forum DRBF 201, September 2015</i></li> <li>▪ <i>Meeting DG Regio "Task force on better Implementation", October 2015</i></li> <li>▪ <i>IPA II Novelty workshop, Ljubljana, February 2016</i></li> </ul>
A7 <b><i>To support the development of local financial products for business and community development</i></b>	<ul style="list-style-type: none"> <li>▪ <i>See Progress Report on DFD</i></li> <li>▪ <i>Thematic Business Forum, University of Vienna, January 2016</i></li> <li>▪ <i>DFD, Bratislava, May 2016</i></li> </ul>
A8 <b><i>To examine the feasibility of a Danube Investment Framework</i></b>	<ul style="list-style-type: none"> <li>▪ <i>See Progress Report on DFD</i></li> <li>▪ <i>Danube Macro Region Business Forum DRBF 2015, September 2015</i></li> <li>▪ <i>Meeting DG Regio "Task force on better Implementation", October 2015</i></li> <li>▪ <i>Workshop for START pilot project, Vienna, January 2016</i></li> </ul>

## 2.6 EUSDR STRATEGIC PROJECTS

Table 5: Projects identified and proposed by PA (PACs + SG) as EUSDR strategic project (SP)

<i>Title of project proposed by PA as ESDR SP during the reporting period</i>	<i>Date of PA meeting when the project was approved as potential ESDR SP</i>	<i>To which PA target the project is relevant?</i>	<i>Main project activities of the EUSDR SP</i>	<i>Targeted funding source(s) for the SP</i>
<i>(a)</i>	<i>(b)</i>	<i>(c)</i>	<i>(d)</i>	<i>(e)</i>
Attractive Danube	15 April 2016	3	The main project objective to establish a permanent common transnational platform for monitoring territorial	DTP

			attractiveness (CO-TAMP), 11 national platforms (TAMP), and Territorial attractiveness atlas as well as an intensive capacity building programme for empowering multilevel public authorities related to development planning resulting in enhanced skills and knowledge.	
Building Capacities (B-CAP)	15 April 2016	1	The project combines the restoration of old buildings (in Baile Herculane, Romania) with the qualification of young and elderly unemployed according to the dual training method.	DTP
Cadastre Project	15 April 2016	3	Aim of this project is to make documentation about the different methods of border cadaster and land registry in all the countries of Danube Region and develop common standards for cadaster and land registry for the whole surface of the countries.	ERDF ETC
City Center Renewal (CCR)	15 April 2016	3	Improvement of municipal and private cooperation on renewal of neglected residential buildings. Capacity building for municipalities.	DTP
CROWDfunding to mainSTREAM innovation	15 April 2016	4	CrowdSTREAM will enable public service providers to support spin-offs, start-ups & SMEs creating their pitching campaigns for crowdfunding. Further it will link the creative industry with the spin-offs, start-ups & SMEs in order to develop high quality pitching campaigns.  Successful spin-offs, start-ups & SMEs will be ready for public/private match-funding.	DTP
CapaCity	15 April 2016	3	Series of workshops to increase institutional and administrative capacity.	City of Vienna
Danube Financing Dialogue (DFD)	15 April 2016	4	The DFD advocates an optimistic attitude as a solid basis for the economic future of SMEs in the Danube macro-region. It also goes beyond simple events since it provides a long-term framework for discussion in a macro-region that was not only particularly hit by the financial and economic crisis,	EU (MRS)

			but also by major conflicts in the recent past. It intends to give new impetus to the already existing, but often unknown, funding sources for project promoters.	
Danube Manager	15 April 2016	1	Development of public administration programmes for the Danube Region, based upon the PA10 DANTE4PA project.	DTP or Erasmus+
EcoBusiness Plan Danube	15 April 2016	3	The project is based on the extensive experience of the City of Vienna with this environmental service package and will transfer the developed know-how in a “place based approach” to selected metropolitan regions and cities in the Danube region. The transfer is based on already existing cooperation projects in the region.	ETC
EuroAccess	15 April 2016	4	Creating a website for funding information in the Danube Region.	EU (MRS)
LUMAT	15 April 2016	3	The implementation will be based on agreed action plans and pilot/demonstration projects for land and soil including information base and tool for the management of urban-peri-urban relationships.	Central Europe
Roma Education Fund	15 April 2016	2	Roma Education Fund’s Scholarship Program for tertiary education (REF SP) provides yearly ca. 1,450 scholarships to Roma students from 16 countries.	Other
SmartDanubeLimes	15 April 2016	3	Sustainable, long-term preservation of the specific Danube Limes heritage – archaeological sites, monuments and landscapes, tangible as well as intangible heritage elements – in all countries along the river course for future generations by improved governance capacities and the implementation of jointly developed integrated protection and management mechanism and tools to withstand future challenges and minimize environmental and man-made risk scenarios in a comprehensive way	DTP
START – Small Project Fund	15 April 2016	4	Establishing a small project fund for transnational projects in the Danube Region.	EU (MRS)

Technical Assistance Facility for Danube Region Projects	15 April 2016	4	Establishing a consultancy mechanism for pre-mature transnational projects in the Danube Region.	EU (MRS)
Transnational Capacity Building and Cooperation for Enhanced Employability of Marginalized Young People including Roma (TEEM)	15 April 2016	2	TEEM will realize a series of capacity building workshops and trainings, pilot novel approaches in each of the participating countries, involve key actors in the creation of local alliances supporting the social inclusion of marginalised groups and propose a transnational strategy promoting future initiatives financed by EU structural funds and national programmes.	DTP

*Question 15: Were any of the projects included in Table 5 already approved for funding during the reporting period? If so, please complete Table 6 below with the information only for those projects.*

*Table 6: Proposed EUSDR strategic projects, which were approved for funding*

<i>Title of project proposed by PA as ESDR SP, approved for funding</i>	<i>Total amount of approved funding</i>	<i>Approved funding source(s) for the EUSDR SP</i>
<i>(a)</i>	<i>(b)</i>	<i>(c)</i>
CapaCity	€ 360.000 p.a.	City of Vienna
Danube Financing Dialogue (DFD)	€ 187.200	EU (MRS)
EuroAccess	€ 209.956,45	EU (MRS)
Roma Education Fund (REF)	€ 3.000.000	Open Society Foundation
START – Small Project Fund	€ 1,964.520,00	EU (MRS)
Technical Assistance Facility for Danube Region Projects (TAF-DRP)	€ 1,632.571,58	EU (MRS)

### 3 FUNDING

#### 3.1 MAIN ACHIEVEMENTS IN TERMS OF FUNDING

*Question 16: What is considered as PAs main achievement/s with regards to funding sources and opportunities for EUSDR projects? Short analysis relevant only to the duration of the reporting period needs to be provided.*

*The city of Vienna could maintain the financing of the PAC10 office and the City Council approved the continuation of the EUSDR activities. Moreover, the City Council could approve the project 'CapaCity', which refers to the macro-regional strategies and will provide assistance to PAC10 in EUSDR project development. In addition to this, co-financing of the EUSDR pilot projects was and will be ensured by the City of Vienna.*

*In the field of ESIF, a number of ERDF and ESF OPs refer to PA10. This is the case e.g. in the ESF OPs dealing with institutional capacity/enhanced public administration in Bulgaria, Hungary, Romania, and the Slovak Republic.*

*Furthermore, there are currently three strategic projects in the second step of the first call of project proposals in the Interreg Danube Transnational Programme (DTP).*

#### 3.2 LESSONS LEARNED

*Question 17: What are the lessons learned (positive or negative) during the reporting period, with regards to funding sources and opportunities for EUSDR projects and what responses to those the PA considers as relevant?*

*It remains challenging to convince stakeholders that the Strategy is more than a programme; many stakeholders are not aware of the differences between the DTP and the EUSDR. The implementation of the EUSDR pilot projects drew the attention to the need for a sound development of alternative financial solutions, especially for start-ups and the NGO sector, including seed money and support for small projects. Calls are a perfect tool to stimulate bottom-up project development. But often targets of EUSDR are mismatched, simply because project promoters look after their specific ideas and not for overall strategies. Therefore additionally a top-down driven process should be implemented to compensate bottom-up mismatching and balance between the Strategy's targets."*

#### 3.3 THE FUTURE

*Question 18: Based on what has been reported so far in Sections 3.1 and 3.2, what next steps and challenges in terms of funding sources and opportunities for EUSDR projects that are important to be shared for further consideration, discussion or development (incl. possible solutions to overcome the challenges)?*

*Please answer also the same question with respect to better alignment of funding to support the PA and the EUSDR in general.*

*Drawing upon the experiences with the DFD, there is a need for an enhanced communication in the business sector. Regional and local events and/or thematic clusters as a follow-up to the DFD could help in this regard. A clear communication strategy for the EUSDR would help to clarify that the Strategy is not a funding instrument.*

*In the Danube Region, capacity building can be seen as pre-condition for better spending.<sup>4</sup> In this regard, a thematic network of OPs (ESF and ERDF ETC) implementing TO11 could be established for both the Danube and the Adriatic and Ionian Region. IPA countries could also participate. Synergies could be sought with Task Force for Better Implementation and DG NEAR. Such an endeavour could be supported by the Interact Programme.*

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<sup>4</sup> See e.g. Besley, T., Mathias Dewatripont, and Sergei Guriev (2010), Transition and transition impact: A review of the concept and implications for the EBRD, Report for the EBRD's Office of the Chief Economist, <http://www.ebrd.com/documents/comms-and-bis/pdf-transition-and-transition-impact.pdf>

## 4 GOVERNANCE

### 4.1 ORGANISATION AND FUNCTIONING OF PA

*Question 19: Describe shortly any significant changes that have occurred during the reporting period on PA's governance in terms of organisation and functioning of PACs and SGs?*

*In the reporting period, two Steering Group meetings have been carried out on 4 December 2015 in Vienna and on 14-15 April in Sarajevo. New Steering Group Members were appointed from MD and ME. There are issues regarding the continuity of the SG Members in BG and as well in RS. The quorum could be reached in both SG meetings. FYROM participated in the 9<sup>th</sup> meeting of the SG, which is of particular relevance considering that this country is participating neither in EUSAIR nor in EUSDR.*

*Both PACs (City of Vienna and the CEF) have changed: Rudolf Schicker succeeded Kurt Puchinger and Maja Tomšič succeeded Irena Lukač.*

*Question 20: Please provide in Table 7 the requested information on attendance (+/-) of Danube countries at SG meetings held during the reporting period.*

Table 7: Attendance of SG meetings

SG	AT	BA	BG	CZ	DE	HR	H U	MD	M E	RO	RS	SI	SK	UA	EC	EES C	RC C	CEI	DSP	M K
9	+	-	-	+	+	-	+	-	-	+	-	+	+	-	+	+	-	+	+	+
10	+	+	-	+	-	+	+	-	+	+	-	+	-	-	+	+	+	+	-	-

### 4.2 COORDINATION AND COOPERATION ACTIVITIES

*Question 21: Based on what has been reported in Section 2.5, please provide short description on what has been achieved with the undertaken activities for coordination, cooperation and establishing links with other PAs? Please describe also any methods/tools that are put in place as a result (if applicable).*

*Due to its horizontal nature, PA10 has cooperated with many other PAs. It has attended i.a. SG meetings of PA1b and PA11. Moreover, the EuroAccess project was presented in several SG meetings. In the field of human trafficking, PA10 has cooperated with PA11. In the field of culture, PA10 has contributed to launching the Danube Cultural Cluster in cooperation with PA3. A workshop on urban development at the 4<sup>th</sup> Annual Forum was implemented in cooperation with ReSPA.*

*PA8 and PA10 are in an on-going exchange with PA8 when it comes to developing new financial tools and follow-ups of the pilot projects, which should be based upon the socio-economic study carried out by PA8. PA10 has been cooperating with all other PAs when it comes to involving cities and regions in the Danube Region. Moreover, PA10 worked with PA9 in the field of Roma Inclusion (and capacity building for Roma Inclusion) and has developed projects in this field. It has also ensured the link with local instruments in this respect, such as ROMACT or ROMED. PA10 has also established working relations with PA7 and is planning a joint event with the JRC at the interfaces between science & research and parliaments.*

*Question 22: Based on what has been reported in Section 2.5, please provide short description on what has been achieved with the undertaken activities for coordination, cooperation and establishing links with EU institutions (EC, EP, CoR, EESC, etc.) and/or other institutions (national, regional, international, as appropriate). Same applies also for activities for using the funding opportunities of*

*the EC centrally managed programmes. Please describe also any methods/tools that are put in place as a result (if applicable).*

*EC: PA10 is in constant exchange with DG Regio. A meeting was held with the Task Force for Better Implementation and a capacity building unit. Synergies in the field of institutional capacity might be sought as well with DG NEAR and DG Empl in relation to TO11 mainstream programmes or comparable elements in IPA and ENI programmes.*

*EP: The positive experiences of PA10 in the involvement of local actors and civil society were mentioned in a study issued by the EP in 2015.<sup>5</sup> It would be beneficial to involve the REGI Committee of the EP in the future of MRS implementation.*

*EESC: The cooperation with the EESC is one of the tasks of PA10 in accordance with the EUSDR Action Plan. The EESC was involved in the 2<sup>nd</sup> Participation Day of the EUSDR and is participating on the Danube Local Actors Platform. It will also be involved in the 3<sup>rd</sup> Participation Day of the EUSDR.*

*CoR: Two meetings were held with the CoR in Brussels and PAC10 will participate in a CoR conference in July in the framework of the SK presidency in Bratislava.*

*FRA: In the field of Human Trafficking, PA10 has initiated a cooperation mechanism with the Fundamental Rights Agency (FRA) and PA11.*

*In June 2016, PA10 organised a joint event with DTP 4.1. for leaders of strategic projects of PA10 and PA9 in order to ensure the quality of project proposals.*

*Question 23: Based on what has been reported in Section 2.5, please provide short description on what has been achieved with the undertaken activities for cooperation between the PA (PACs and SG) and the authorities dealing with ESIF funding and more specifically with the Managing Authorities and the Monitoring Committees of programs of interest to the PA. Please describe also any methods/tools that are put in place as a result (if applicable).*

*There is still a need to improve the cooperation with the ESIF MAs in the Danube Region, but also with IPA and ENI programmes. In addition to ESIF OPs, other programmes such as HORIZON2020, Erasmus+, Europe for Citizens, EuropeAid etc. might be relevant. The newly introduced idea to hold SG meetings in different countries will serve as an opportunity to involve also MAs, e.g. where TO11 was implemented as Investment Priority. A stronger involvement and support of the INTERACT programme in involving MAs would be beneficial for a better implementation of MRS. See also **Fehler! erweisquelle konnte nicht gefunden werden.***

### **4.3 ACTIVITIES FOR INVOLVEMENT OF STAKEHOLDERS AND CIVIL SOCIETY**

*Question 24: Based on what has been reported in Section 2.5, please provide short description on what has been achieved with the undertaken activities for involvement of stakeholders, incl. civil society (e.g. stakeholder conferences, activities with national/regional parliaments, other events, networks, platforms, etc.). Please describe also any methods/tools that are put in place as a result (if applicable).*

*The involvement of civil society is one of the key objectives of PA10. Civil society was involved not only through conferences, but PA10 also contributes to an on-going discussion about its involvement in the framework of the EUSDR. At the 9<sup>th</sup> SG meeting of PA10, the DSP proposed to work together with PA10 on a joint paper summarizing best practices for inclusion of local actors.*

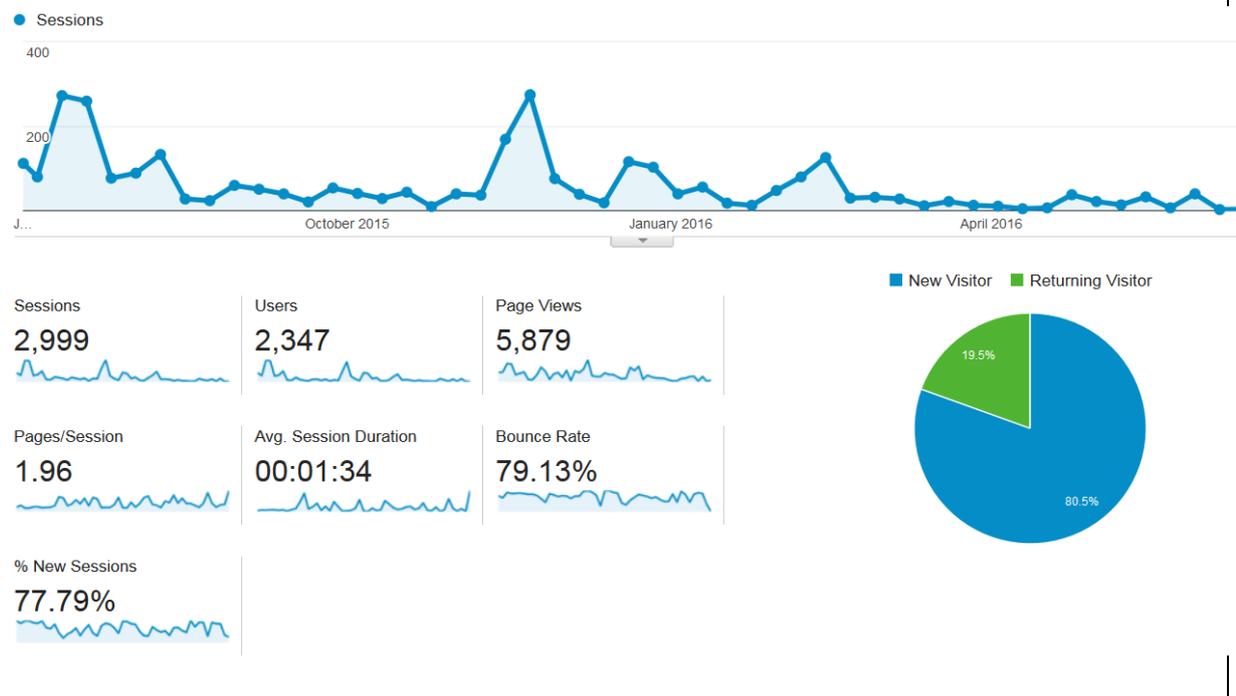
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<sup>5</sup> [http://www.balticsea-region.eu/attachments/article/590691/IPOL\\_STU\(2015\)540349\\_EN.pdf](http://www.balticsea-region.eu/attachments/article/590691/IPOL_STU(2015)540349_EN.pdf)

#### 4.4 PUBLICITY AND COMMUNICATION ACTIVITIES

*Question 25: Based on what has been reported in Section 2.5, please provide short description on what has been achieved with the undertaken activities for better publicity and communication (e.g. publications, website developments, etc.). Same applies also for activities for better communication of PA's results and work as well as those related to public debate(s) on the macro - regional approach. Please describe also any methods/tools that are put in place as a result (if applicable).*

*PA10 has published a brochure on its activities, especially on the outcomes of the pilot projects.<sup>6</sup> PAC10 is currently working on a new more comprehensive brochure. The stakeholders were kept updated via the website and social media. More than 2000 users consulted the website in more than 3000 sessions. The website had around 6000 page views in the reporting period. A new website was established by the end of June 2016 with the help of the DSP.*



#### 4.5 LESSONS LEARNED

*Question 26: Based on what has been reported so far in Section 4: what are the lessons learned (positive or negative), in terms of PA governance during the reporting period and what responses to those the PA considers as relevant?*

*It has proved to be efficient to involve stakeholders from the local and regional level as well as from the civil society into the Steering Group. This is also true for the involvement of regional organisations such as the CEI or the RCC. There should be incentives in order to foster pro-active behaviour from the side of the SG Members. Electronic tools and strategic projects have proven to be successful in order to sustain the involvement of the SG in the PA's work.*

6

[http://files.groupspaces.com/CapacityandCooperation/files/1562539/zSLiKfw7xEIKwv4MMGQs/PA10\\_Broschure\\_Publication\\_Oct15.pdf](http://files.groupspaces.com/CapacityandCooperation/files/1562539/zSLiKfw7xEIKwv4MMGQs/PA10_Broschure_Publication_Oct15.pdf)

## 4.6 THE FUTURE

*Question 27: Based on what has been reported so far in Section 4: what next steps and challenges for better PA governance in the future that the PA finds important to be shared for further consideration (incl. possible solutions to overcome the challenges)?*

*A stronger orientation towards (strategic) projects will trigger a stronger participation of SG Members. Simplified written procedures might help to find common decisions and to figure out how to proceed in the future. The 11<sup>th</sup> SG Meeting is to be held in Bucharest in autumn and could build upon the strategic direction of PA10 to focus specifically on countries. E.g., at the 10<sup>th</sup> SG meeting hosted by the RCC in Sarajevo, particular attention was paid to Enlargement Policy and its interfaces with Regional Policy. At the 11<sup>th</sup> Meeting of the SG, the ESF OP “Administrative Capacity” could be involved and potential synergies with PA10 be discussed.*