**SG Meeting Ljubljana, 05-2014**

**Tasks and Perspectives of PAC 10**

**Draft**

*This paper is about the Task and Perspective of PAC 10 related to our basic document, the Action Plan. A look into the short history of EUSDR Governance Structure shows, that the discussion about this issue is ongoing since the first PAC/NCP meeting in Gödöllö (2011) and also shows the emergence of a more realistic and empirically based concept formulated in the recent Non-paper of the EC (2014).*

*Looking for lessons learned and taking into account the overall insecurity of roles and procedures in the last three years a content evaluation of the PAC 10 activities could be helpful for the formulation of a perspective for the next three years, improving the already initiated change in direction of implementing activities of PAC 10 disseminated in the Background Paper, November 29-2012.*

*An additional open question is the relation between the EUSDR and the Cohesion Policy, in practical terms the interface between PACs and the relevant (national) Fund Management.*

1. **Description of the role of PACs**

**The initial description of the role of the PAC**s was amongst others stated in the Annex of the letter of the Commissioner Hahn of **March 2011**, the “Guidance to the Priority Area Coordinators” and later confirmed in the conclusions of the General Affairs Council of 13 April 2011:

PACs “are key actors in its implementation, making the Strategy operational. *Their responsibility is* ***to provide the best implementation framework****, so that the appropriate measures can be implemented as foreseen and on time*. Committed, proactive and effective coordinators will make the Strategy a success.”

PACs “are the prime contact for the Commission for the PA concerned. They will furthermore work in close contact with all stakeholders involved, especially other countries, but also regional and local authorities, inter-governmental and non-governmental bodies. Their work is transnational, inter-sectoral and inter-institutional.”

Further remarks to the role of the PACs are given in the First report of the Commission concerning the EUSDR from **April 2013**:

Pos. 5 Lessons learned:

“National Contact Points, Priority Area Coordinators and their Steering Groups form the implementation core of the Strategy. ***Their work needs further embedding in political and administrative structures.*** Their visible, central role requires institutional stability, political recognition and allocation of sufficient human resources. Adequate staff and support from ministries to enable them to fulfil their role is crucial”.

Pos.6, Recommendations:

…”the Commission recommends that participating countries and regions continuously monitor the implementation of all Priority Areas, including commitment at political level and in terms of concrete achievements, with a view to concentrating on specific challenges, and ensuring focus as well as providing the basis for prioritisation and a leaner, more results-oriented structure;”

Non-paper on governance of the EC **February 2014**:

“Coordinators are at **the interface between concrete projects and activities and the political level**. Together with their Steering Groups they should be facilitated to act as the **thematically competent body** for the macro-region, **advising** policy level, and **bringing** the insights from the ground **into** the political and strategic debates”.

1. **The position of PAC 10**

*The following text is for remembrance only.*

**SG Meeting November 2012, Status**

We can say that our work in PA10 generally has been performed in line with the recommendations of the EC and the results of the 2nd Meeting of NCPs and PACs in Bucharest, January 2012 and is well documented in our 1st Annual Report. On the other hand it is true what has been said in Bucharest, that there is no “one - fits - all model” for implementing the Action Plan, as PAs are very diverse. After more than one year dealing with the content of PA 10, I better understand that generally following the line does not seem to be enough. Transforming each action in operational steps in form of projects and project ideas of the traditional type, as we have done in a first try already, for some of the Actions cannot lead to the desired results. The reason why is, that we followed over all the Bucharest line which said “it is easiest to start with the project level and to tackle – in parallel – the strategic level (policy debate)”, forgetting that there are some Actions in PA 10, where “projects” need as a prerequisite an intense political debate and commitment at relatively high levels in state governance systems. If this estimation holds, the while working on PA10 action plan developed in 2012, we can use 2013, the window of opportunity with no open big financing programs to concentrate on political advisory projects on “ensuring policy discussions and policy development” for 2014 and beyond as indicated in the EC “Guidance to the Priority Area Coordinators”.

**SG Meeting November 2012, proposed orientation in 2013**

*Initiating appropriate policy discussions and decisions needs to remember the overall mission statement of European Policies and to identify the stakeholders who have to become involved.*

Basically the issue is to overcome national limitations, foster transnational cooperation/policy development on the macro-regional level and foster European integration. The idea of European integration really matters in this respect, both with regard to EU enlargement and better integration of EU members in the Danube Region (i.e. better spending of EU funding).

Overcoming national limitations means to look for common interests beyond and to identify transnational needs. The challenge seems to be that the ownership of the Strategy, which is at the moment mainly in the hands of the administrative and government systems of the region, needs a calculated additional move to other political players in the region.

The art of organising a political debate in the interest of the people includes a systematic search for already organised multipliers who are related to this variety of interests of individuals, not looking for covering all of them. The search could start in the world of political parties for such, traditionally reacting positive on social, democratic and European issues. Another option is the Trade Unions, the religious organisations and NGOs with a humanistic or charitable transnational mission.

The hypothesis is that “projects” will appear suddenly, if subsidy programs are adopted and installed again in 2014 +. Not so, the necessary “internal” political debate on **top-down** **reforms** in the participating countries as well as a related transnational exchange of views and experiences. The advantage of a political debate also is that it contributes to the dissemination of the issue of the debate – Danube Strategy issues – and can be related to everyday experiences of the people.

So the proposed orientation for 2013 meant to include systematically relevant political players in the Region, additionally to the already involved political executive units (governments at different levels). Progress has already been made with regard to:

* Regular meetings of Foreign Ministers of the Danube Region Countries
* National platforms have been built in several countries such as Bulgaria, Hungary, Austria and Baden-Württemberg
* Council of Danube Cities and Regions/Urban Platform Danube Region
* EUSDR Units in the Romanian MFA and within the Hungarian administration
* Public officers appointed to EUSDR in Austria
* Public officers to EUSDR nominated or reappointed in Slovenia.

1. **The perspective of PA 10, 2014+**

The overall process of reorientation of the work of the PA 10 SG, which we started in 2012, can be continued without basic change, but under better framework-conditions, because of many preparatory activities of PAC 10 and a clarified position of the EC concerning the role of PACs and will still follow the *List of Actions.*

* **To combat institutional capacity and public service related problems**

Improving the quality of public services and administrative procedures, of skills, competence and motivation of staff in the public sector, as well as the improving of the quality of legislation aim at an internal reform program of the political administrative system, aimed at the implementation of “New Public Management” tools. With times changing, the New Public Management does not any more reflect the needs that administrations face in the capacity development and change management sense. The New Public Management has moved to so-called Dynamic Governance approaches where compliance, performance, resilience and adaptability of the public administration and its processes are taken into the account. Focus is shifting from only internal to both **internal and external** and to the principle of **collaboration** which is imbedded in the EUSDR implementation and initiatives.

To initiate such a **top-down reform** a government decision is normally needed. The goal of such reform should also be to make public service jobs valued, respected and appropriately rewarded in order to attract quality people that will be a pillar of quality public service. Implementation needs transparent efficiency, oriented targets and its relation to career-options and salaries as well as a service and qualifying program for the staff to cope with the changes. Complementary to that, a social security program should be established for those persons who will not be part of the game in the future. Neither a measure nor a project positioned on a level which implies such a reform could be managed or evolved by a bottom up procedure has any chance of sustainability; on the contrary it leaves frustration and demotivation of the staff.

An **analysis** is needed showing the weaknesses of administrative procedures and the obstacles against the implementation of Dynamic Governance tools in the respective countries. Often these obstacles are not technical ones, but pure political, which again stresses the importance not to ignore those stakeholder positions any longer. Such analysis will be used as a basis for improvement of the Action Plan and the design of further actions and necessary political communication. Existing analyses and findings (by Regional Cooperation Council - RCC and Regional School of Public Administration – ReSPA) will be taken into account.

Jointly with the CIVEX unit of the CoR, PA10 intends to hold a Local Administration Facility (LAF) meeting on anti-corruption back-to-back with the 4th Annual Forum of the EUSDR to be held in Baden-Württemberg in 2015.

Apart from ongoing initiatives of the national academies of public administrations and similar institutions, in 2014 and beyond, the focus will be also on capacity issues of the local government. As part of the stakeholder conference in Eisenstadt (24-25 June) in collaboration with PA9 and International Organization on Migration, a workshop on migration management on local level will be organized.

At the 3rd Annual EUSDR Forum, PA10 initiatives on increasing capacities on national and local levels will be presented in the forum of Danube Cosmos.

An effort is also being put to implement a high-level policy dialogue or event focusing on the challenges of the public administration in the Danube region. This will take place as a part of Annual Public Administration days in September 2014.

* **To improve the trust of citizens and stakeholders in political authorities**
* **To ensure sufficient information flow and exchange at all levels**

Strengthening the positive relation between voters and elected politicians is not possible without an open political debate. An open political debate is possible, if both parties have enough information. Transparency and Open Government are the keywords.

*PA10, in the context of its role as a facilitator for capacity building and the integration of Civil Society in the Member States of the Danube Strategy, would like to support the introduction of Help.gv as a case study in the EU Member States of the Danube region; communication, integration, transparency, are core concepts of better government on both, national and local levels. However, Help.gv. is a classical top-down project, which can only work with strong political and administrative endorsement and adequate resources, both financial and human. (*[*www.help.gv.at*](http://www.help.gv.at) *). A stakeholder meeting in fall 2014 is under preparation.*

* **To establish a Danube Civil Society Forum**

The Danube Civil Society Platform covers this Action. Moreover, the creation of a Civil Society Platform is under way. The visible start of the Danube Civil Society Platform will take place in Eisenstadt on 25 June 2014 during the “Participation Day” (PA 9 and PA 10). Participation of Civil Society was also highlighted in the Council Conclusions on the added value of MRS of 22 October 2013 (upon Austrian initiative) and in the non-paper on the governance of MRS of the Commission (February 2014). Civil Society Involvement should provide:

* Increased ownership of the EUSDR
* Increased transparency and participation within the EUSDR
* Closer link to academic institutions (role of universities in MRS should be strengthened)
* Participation of NGOs, entrepreneurs and employees
* **To facilitate the administrative cooperation of communities living in border regions**

*The implementation of this Action can start now, because the necessary structures are already built* (CoDCR) or under construction (UPDR).

The experiences of CENTROPE will be used. We know, based on our CENTROPE experiences, that at least two things are possible:

- actions with a positive, harmonising impact at the framework-conditions for projects of the civil society and the business world, as far as there is formal competence available, and

- offering services, which can support and motivate national stakeholders, the business sector and the civil society to cooperate in reaching public goals, trying to facilitate a series of win-win situations.

Experience shows, that the orientation at the development of a governance structure to manage a regional cooperation process including public and non-public elements is one of the main lessons learned and needs in parallel the development of a correct, but also relaxed and robust relation between public authorities and the market, or the civil society. This Action will be an issue at the Danube Civil Society Platform as well as at the Urban Platform Danube Region. Main funding source for action in this field could be CBC programmes of the ERDF (goal 3 ETC); there are more than 20 CBC programmes in the Danube Region and the EUSDR was already considered in the programmes BG-RO as well as in the IPA-CBC RO-RS.

* **To build Metropolitan Regions in the Danube Region**

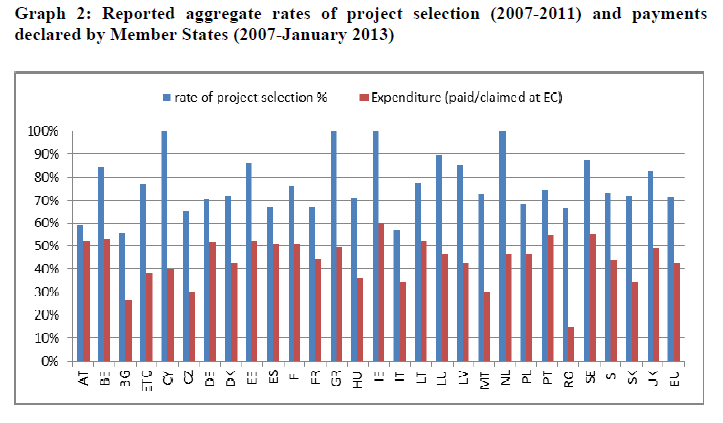
This Action should be covered by the activities of the Urban Platform Danube Region (UPDR). The Action will be discussed at this level with the relevant stakeholders and a “thematic leader” should be identified.

The establishment of the UPDR is under way and a specific workshop will be dedicated to the UPDR at the 3rd Annual Forum in Vienna. A website will be created where cities can exchange best practice, search project partners and announce events. Selected cities have also the opportunity to take over thematic leadership and thereby foster the macro-regional approach in the Danube Region in a focussed way. The UPDR is a joint initiative of the cities of Vienna and Ulm and will be implemented in close cooperation of PAC10 and the CODCR. Moreover, PA10 cooperates closely with the Austrian Association of Cities and TownsandtheAustriancentre for public administration research in this respect.

* **To review bottlenecks relating to the low absorption rate of EU funds and to ensure better coordination of funding**

The identification of problems related to special procedures within certain administrations must be handled on the operational level very carefully and, if it should be a success at the end, very internally. The identification of the bottlenecks itself again must be a top down initiated activity in the relevant government units*.* The 2013 [EC report on Cohesion policy and programme implementation](file:///C:\Users\mirtlj\AppData\Local\Microsoft\Windows\Temporary%20Internet%20Files\Content.Outlook\JQ9T1AHP\Cohesion%20policy:%20Strategic%20report%202013) findings cite “the crisis as the main cause of difficulties, some12 countries identify other contributing factors. Those include the late start of the programmes due to the extension of the previous period, an underlying lack (or even decline) in administrative capacity, the challenges in preparing major infrastructure projects and obtaining Commission approval, changes in legislation, inconsistent political ownership (changes in national and regional government, changes to institutions) and the effects of national sectoral reforms.”

So far, PA10 has focused its activities on capacity building initiatives in the area of project financing, planning, sharing of good practice and experiences as well as financial transparency. A prerequisite for any other activities by PAC 10 is the information about relevant contact persons which should be provided by the EC. As the absorption rates for 2007-2013 are known (BG 48%,CZ 49%, D 69%, HU 59%, AT 65%, RO 37%, SI 62% SK 48%,EU Cross Border 51%), the next step could be the organisation of a workshop/working group with support of the NCPs. Funding other than regional funding should also be considered in the context of PA10, such as the citizenship programme or TAIEX with regard to public administrations in third countries in the Danube Region.



* **To support the development of local financial products for business and community development**

Apart from the issues of financing and financial products that the Danube Financial Dialogue is touching, no specific activities in this regard have been undertaken.

* **To examine the feasibility of a Danube Investment Framework**

There have been some key-players identified and contacted in the region who represent a huge amount of experience in project promotion and project financing. There is the

* Western Balkans Investment Framework
* Regional Cooperation Council
* Central European Initiative

Together with experts already involved by PA 10 in the DFD (European Fund Managers, Managers of the EIB, Managers from the National Banks, Managers of local Commercial Banks) it should be possible to start a procedure to clarify both issues.

1. **The work plan**
   1. **Role of PAC10**

Besides the overall coordination and implementation of the Steering Group of PA10, PAC10 implements a number of horizontal EUSDR pilot projects related to financing and governance of the EUSDR such as the Danube Financial Forum (DFD) or the Technical Assistance Facility for Danube Region Projects (TAF-DRP). Moreover, PAC10 has a crucial role to play in the strategic planning of the 3rd Annual Forum of the EUSDR in Vienna. In the framework of the four Working Groups, PAC10 also develops platforms which were mentioned above such as the Urban Platform Danube Region (UPDR) or specific action to involve civil society in the EUSDR implementation process. Among the 11 PACs of the EUSDR, PAC10 has a specific role in coordinating horizontal activities of all the PACs but also in serving as an interface to the NCP level.

* 1. **Role of the SG members**

As a follow-up to the PA10 action “review bottlenecks relating to the low absorption rate of EU funds and to ensure better coordination of funding”, PA10 plans to develop and support a **project proposal** which explores the relevant governance axes and possible interfaces between the macro-regional level, the partnership agreements, and the regional and national goals for regional policies and funding in the EUSDR countries. It would build on existing reports related to spatial planning like CADSES, ESTIA and VISION, but also on reports from the EC and INTERACT, as well as on information submitted by steering committee members of PA10.

The outcome should be a concise report, which could be used:

* as a basis for further discussions on EC/PAC/NCP/national level, enabling an overview of the concrete national policies and practices on the one hand, the overall situation in the EUSDR on the other.
* as a showcase of good/rather good practices throughout the EUSDR,  possibly facilitating and furthering proposals for  institutional and structural reforms which could enhance the role of macro-regions in regional planning and the  absorption of EU funds in the EUSDR.
* as a focal point for the on-going  discussion on the future of the EUSDR, on the governance as well as on the project level in the context of the  regulatory framework of the EU concerning the role and consistency between macro regions and  the upcoming new period of EU funds and programmes.

First results should be presented at the occasion of the 4th Annual Forum of the EUSDR to be held in Baden-Württemberg in 2015.

The members of PA10 SG should provide the PAC and the relevant Working Group with an input report which shows the relevant status in each country until the end of June 2014. PAC10 will provide an online questionnaire.