

2ND MEETING OF THE PRIORITY AREA 10 STEERING GROUP OF THE EU STRATEGY FOR THE DANUBE REGION (EUSDR)

Date: March 29 - 30, 2012

Venue: Center of Excellence in Finance – CEF, Ljubljana (Slovenia)

Participants: Razvan Apopei (RO), Elean Gagov (BG), Dana Mitea (AT), Irena Lorkova (SVK), Aniko Turi (HU), Snežana Filipović (RS), Marko Žabojec (CRO), Roland Arbter (AT), Tina Fink (SI), Walter Stoeckl (AT), Marlene Hahn (AT), Kurt Puchinger (PAC – AT), Irena Lukač (PAC – SI).

OBJECTIVES OF THE MEETING

As the implementation of the EUSDR gained momentum in the beginning of 2012, many issues needed to be tackled by the PA10 Steering Group (SG). The meeting took place over two days, its objectives were to:

- review the developments in the implementation of the EUSDR;
- review and discuss organizational aspects of PA10;
- report on the work of the PA10 working groups (institutional capacity, civil society, regional cooperation and financing) and the 1st Danube Financing Dialogue;
- report on the work of the members of the Steering group of PA10;
- review project proposals submitted to the PA10;
- discuss and establish guidelines on how to administer project proposals;
- decide on next steps.

TOPICS DISCUSSED

DAY 1

Opening Session

The SG received a copy of email with comments made by Mr Johannes Urban (DE) who was not able to participate at the meeting.

Adopting the Minutes of the Kick-off Meeting of the PA10 Steering Group meeting
Minutes of the kick-off meeting that took place on July 1, 2011 were unanimously adopted.

Adopting the Rules of Procedure of the PA10 Steering Group
Proposal of the Guidelines of the functioning of the PA10 Steering Group were sent to SG members in advance of the meeting.

The Section (2) c) of the Guidelines was amended:

- text “(Letter of recommendation)” was added to the first paragraph;
- a second paragraph is inserted as follows

“To issue a Letter of recommendation the following procedure is observed:

- First, a request to issue a letter of recommendation from project leader or SG member should be sent to PACs;
- Second, the SG member from the respective country verifies if the project matches the country’s priorities;
- If yes, the project is sent to SG members for electronic voting;
- If there are no objections from SG members, the PACs issue a Letter of recommendation.”

Amended version of the Rules of Procedure of the PA10 Steering Group is enclosed. It was agreed that if necessary, the PA10 Steering Group will amend the Rules of Procedure. The document will be uploaded on PA10 *groupspaces* internet portal (link and access details will be sent to SG and WG members in June).

Developments in the implementation of the EUSDR

- Due to late signature of Technical Assistance contracts with the European Commission (January 2012) and unavailability of funding, the working group and SG meetings were pushed forward for a few months.
- PA10 (the City of Vienna together with Metis) was entrusted to carry out the Danube Implementation Facility action as a special project. The first event (1st Danube Financing platform) took place from 22 – 23 March 2012 in Vienna. Detailed report was provided in the subsequent session of the SG Meeting.
- Meeting of the National Contact Points and Priority Area Coordinators in Bucharest (30-31 January 2012) where challenges related to the implementation of the EUSDR were discussed and lessons learned from the implementation of the EU Strategy for the Baltic Sea were showcased.
- Reporting to the EC. First progress report to the European Commission is due in June. Based on these reports, EC will submit report to the European Council and Parliament. Progress report will include some general remarks as well as progress and roadmaps for each action and how they contribute to the proposed targets. As PA10 has 6 actions that cannot be linked to targets, the SG will have to define

new targets that are linked to those actions. An important part of the report are projects submitted to PA10 and approved by the SG.

Reports from PA10 Working Groups

As the PA10 is extremely heterogeneous and horizontal priority area, 4 working groups that function as thematic platforms were established. WG meet at least twice a year. All 4 WGs met for the first time in January and February. Within each WG actions and projects proposals were discussed. Actions were broken down into further operational steps. A certain numbers of demonstration projects that match the intention of the actions were also identified.

Working Group 1 (Institutional Capacity)

Action: "To Combat Institutional Capacity and Public Service Related Problems in the Danube Region"

WG1 set the following milestones and corresponding demonstration projects submitted to PA10:

1. Identify stakeholders. Project: Academy for Exchange in Administration in the Danube Region in the City of Passau.
2. Identify areas of institutional capacity needs / gaps in the Danube region. Projects: Procurement; First alignment with the transport aquis; Harmonization with Aquis Communautaire; TA to support the RS Min. of Infrastructure and Energy; IPA Workshops; Building Capacities in Policy Design and Implementation: Fiscal Impact Assessment of Structural Reforms; Building Capacities in Policy Design and Implementation: Strategic Planning and Budgeting.
3. Publish / present paper "Institutional Capacity Development Through Implementation of the EUSDR" at NISPAcee Annual Conference.
4. Event / workshop "From project design to implementation".
5. Identify existing training programs and other areas of institutional capacity development that could be shared or mutually developed by training institutions in the Danube region.
6. Identify new training programs and other areas of institutional capacity development that could be mutually developed by training institutions in the Danube region.
7. Identify / find funding.

Comments: Mr Arbter pointed out the importance of institutional capacity development which will also be evident in the new EU programming period 2014-20

where institutional capacity will be recognized as one of the priority investment areas.

Working Group 2 (Civil Society)

3 actions allocated to the WG 2:

Action 1: "To establish a Danube Civil Society Forum"

Action 2: "To ensure sufficient information flow and exchange at all levels"

Action 3: "To improve the trust of citizens and stakeholders in political authorities".

WG2 set the following milestones and corresponding demonstration projects submitted to PA10:

Action 1: "To establish a Danube Civil Society Forum"

1. Elaborating a feasibility study prior to the establishing Danube Civil Society Forum. Projects: Danube Civil Society Forum; Danubiana – civil network development; Femcities; Passing of Fire; Green Danube Networking
2. Building up a unique Youth Danube Education Exchange Network (YDEEN). Projects: Danube Civil Society Forum; Danubiana – civil network development; Femcities; Passing of Fire; Green Danube Networking

Action 2: "To ensure sufficient information flow and exchange at all levels"

3. Establishing an E-Government platform concerning the EUSDR's issues. Projects: same as above.
4. Making a wide public awareness campaign of the European Strategy for the Danube Region. Projects: DRIBE; CEEPUS; Danube Region University for Public Governance; Road Show on the Danube Strategy in Medium Cities; EdTWIN CZ

Action 3: "To improve the trust of citizens and stakeholders in political authorities"

5. Building the TransCity Network for Public Relations for EUSDR Issues. Projects: DRIBE; CEEPUS; Danube Region University for Public Governance; Road Show on the Danube Strategy in Medium Cities; EdTWIN CZ

Comments: Ms Knežević remarked that milestone 2 may be too broad and that it is difficult to nominate Serbian NGOs into the working group. She also questioned whether there may be some overlap with PA8. Mr Arbter commented on open government and supporting networking activities (on a regional level) which can act as a multiplier to public awareness. PACs will get back to WG2 members regarding the open issues.

Working Group 3 (Regional Cooperation)

3 actions allocated to the WG3:

Action 1: “To facilitate the administrative cooperation of communities living in border Regions”

Action 2: “To build Metropolitan Regions in the Danube Region”

Action 3: “To ensure sufficient information flow and exchange at all levels”.

WG3 set the following milestones and corresponding demonstration projects submitted to PA10:

Action 1: “To facilitate the administrative cooperation of communities living in border

1. Definition of an efficient cross-border cooperation model on different levels. Projects: SECCo; Common Strategy for the Sustainable Territorial Development of the Cross-border Area RO-BG; EGTS “Ister-Granum

Action 2: “To build Metropolitan Regions in the Danube Region”

2. Use the capacity of an existing Urban Network. Projects: Metropolitan Network Danube Region (MND); Network of associations of local authorities of South-East-Europe; Danube metropolises – venue for SME and inventors’ encounters

Comments: There was a discussion on the definition of an efficient cross-border models on different levels which will be changed to “definition of the CBC models”. And what the levels, i. e. forms of CBC and what approach to take.

Working Group 4 (Financing)

2 actions allocated to the WG4:

Action 1: “To Review Bottlenecks Relating to the Low Absorption of EU Funds and to Ensure Better Coordination of Funding”

Action 2: “To support the development of local financial products for businesses and community development”

Action 1: “To Review Bottlenecks Relating to the Low Absorption of EU Funds and to Ensure Better Coordination of Funding”

1. Review bottlenecks in EU funds absorption
2. Event / workshop “From project design to implementation”
3. Identify ways to ensure better coordination of funding. Projects: IPA Workshops; Procurement.
4. New programming period (2014 – 2020): explore if PA10 WG4 can act as a platform for recommendations to the EC by the EUSDR, especially non-EU stakeholders. This milestone was not endorsed by the EUSDR stakeholders (NCPs and PACs) and therefore dropped.

Comments: Mr Arbter commented that there may still be time to propose positions (of EUSDR or any other stakeholders) as the negotiation process will continue well into 2012.

Report on 1st Danube Financing Dialogue

Action: "To examine the feasibility of a Danube Investment Framework".

Mr Puchinger presented the first event that took place in Vienna at the Austrian Central Bank (OeNB) from March 22 – 23, 2012. The objective of the 1st Danube Financing Dialogue was to create a matchmaking platform for SMEs and financial Institutions. The response to the event was above expectations as it brought together over 200 participants from financial institutions, SMEs and other EUSDR stakeholders.

The next event is envisaged for late 2012, it will probably take place in Belgrade.

Event materials and report are available at

<http://groupspaces.com/CapacityandCooperation/pages/1st-danube-financing-dialogue>

Report on SG members' activities

SG members were requested to provide a short overview of their involvement in the implementation of the EUSDR and PA10 activities in advance of the meeting. At the meeting the SG members shortly presented them and exchanged experiences and information on how they promote and coordinate activities related to EUSDR implementation.

Given the different levels of political support to EUSDR in the Danube region countries, meeting participants also discussed the EC suggestion to increase political support with a government decision. Apart from the countries where there already is sufficient political support such a decision was a somewhat remote possibility.

DAY 2

PA10 Projects proposals

By end of March 2012 the PA10 SG members and other stakeholders submitted 59 project proposals to PA10 PACs. Project proposals vary in terms of scope, size, project cycle and budget:

- 10 projects are already completed, 19 are ongoing, 5 prepared for implementation, 25 are planned.
- 23 projects are related to working group 3 (WG3), 10 to WG2, and 14 to WG1. There are 6 projects that could not be allocated to any of the working groups;
- 35 projects have fully covered budgets, 22 project proposals have no budget;
- Most projects have lead partners from Hungary (14), Austria (13) and Serbia (10). A number of EUSDR countries have no lead partners; however that does not mean that no projects are implemented there.

In discussion, the SG members were interested in a few specific project examples and also about the status of project(s) they submitted.

Mr Žaboječ noted that Western Balkans Investment Initiative (WBIF) projects could also be EUSDR projects and that CRO will submit a project proposal that corresponds to the institutional capacity WG. Mr Apopei pointed out that not all of the RO projects are in the PA10 pipeline and will reconfirm and resend projects as necessary.

As regards to the project proposals that could not be allocated to any of the PA10 working groups, it was agreed that they be allocated to other priority areas, if possible. To do so, PACs in coordination with the SG member (or project leader) that submitted the project will contact PACs of the corresponding Priority Areas (PA) and forward them the project sheet. After “relocation” of the project proposal to other PA, it will be deleted from the PA10 project database.

The following projects were allocated to other priority areas:

- #18 - Cultural Route: Cultural Heritage – a Bridge Towards Future will be passed on to PA3;
- #19 - Rafting down the Danube will be passed on to PA3;
- #24 - Preparatory work for the restoration of the Charles VI gate will be passed on to PA3;
- #37 - South East Europe Transn. Cooperation Programme “Transnational integrated management of water resources in agriculture... (EU WATER) will be passed on to PA3;
- #40 - South East Europe Transn. Cooperation Programme “Cooperation Network for Logistics...” is allocated to PA 1A;
- #41 - South East Europe Transn. Cooperation Programme “NEWADA” is allocated to PA 1A.

The following projects were allocated to PA10 working groups:

- #20 - Danube Excellence is allocated to PA10 WG1;
- #33 - CEP SA Annual Conference 2011 is allocated to PA10 WG2,

- #39 - South East Europe Transn. Cooperation Programme “Stakeholder oriented flood risk assessment ...” is allocated to WG1;

It was agreed that the PACs will update / check the project status with project leaders regularly and also before the progress report is submitted to ES (June).

The SG members also extensively discussed what to do with project proposals after they had been collected – what are the next steps, how to link projects with targets and what can SG and PACs do in order to promote them, link them to financing sources and potential partners, or influence funding programs.

One of the more pressing issues is financing, which Danube Strategy as such does not provide. It was a common understanding that PACs and SG members cannot search for financing sources but can help guide to information sources and network. One of the networking and match-making opportunities is also the Danube Financing Dialogue managed by PAC 10 (Vienna). Project promoters are also likely to be included in the stakeholder conference that is planned for 2013.

Letter of recommendation

The SG decides on a letter of a recommendation for a project submitted to PA10. The following procedure to award such a letter was agreed:

- First, a request to issue a letter of recommendation from project leader or SG member should be sent to PACs;
- The SG member from the respective country then checks if the project matches the country's priorities;
- If yes, the project is sent to SG members for electronic voting;
- If there are no objections from SG members, the PACs issue a letter of recommendation.

It was agreed that the procedure will also be included in the PA10 Rules of Procedures.

Ms Turi raised the issue of determining the so-called “EUSDR flagship projects” for the PA10. Since there is no common understanding yet as to what constitutes a flagship project and PA10 projects tend to be smaller in size (compared e.g. to infrastructure or environmental projects) there will be no projects designated as such for the time being.

Projects database

Project proposals are stored in an on-line database *sharepoint* managed by Metis and by now used internally by PACs. The project database interface outlines the following information which also represent parameters by which searches, filters and analyses can be done: project title, contact person, lead country, project status (start, end), budget (yes, no, amount) and allocation to working group. A new column for SG member notes may be added to the database interface.

The database proved to be a useful tool for managing and maintaining an overview of the PA10 project proposals. It was noted that the database could also be expanded or linked to other PAs, however at the moment this exceeds the capacities of PA10 and PACs.

It was agreed that the SG members will be given access to the projects database. It can be accessed at <http://eusdr-pa10.metis-vienna.eu>

- User name: eusdruser
- Password: eusdr2011

Targets

In recent guidelines by DG Regio to the PACs it was stated that certain actions cannot be linked with targets and that new targets that correspond with actions should be formulated.

The EUSDR Action Plan defined two targets for the PA10 “To Step up institutional Capacity and Cooperation”: (1) Maximum 4 weeks for business start-up permissions by 2015; and (2) Establishing benchmarks for e-government and reducing excessive bureaucracy by 2012. These targets were already confirmed by the SG.

Only 3 actions out of 9 are linked to the two existing targets:

Target (1): Maximum 4 weeks for business start-up permissions by 2015

- Action: “To combat institutional capacity and public service related problems in the Danube region”.

Target (2): Establishing benchmarks for e-government and reducing excessive bureaucracy by 2012.

- Action: “To ensure sufficient information flow and exchange at all levels”.
- Action: “To facilitate the administrative cooperation of communities living in border regions”.

Actions which do not corresponding to any of the 2 targets:

- Action: "To improve the trust of citizens and stakeholders in political authorities."
- Action: "To establish a Danube Civil Society Forum."
- Action: "To build metropolitan regions in the Danube region."
- Action: "To review bottlenecks relating to low absorption rate of EU funds and to ensure better coordination of funding".
- Action: "To support the development of local financial products for businesses and community development".
- Action: "To examine the feasibility of a Danube Investment Framework."

Therefore, the PA10 SG agreed and defined the following 3 new targets and linked them to actions:

Additional target (3): Establishing a platform including civil society organizations and open governance networks by 2013.

- Action: "To improve the trust of citizens and stakeholders in political authorities".
- Action: "To establish a Danube Civil Society Forum."

Additional target (4): To facilitate a network of metropolitan areas and systems by 2014.

- Action: "To build metropolitan regions in the Danube region".

Additional target (5): "Establish a Danube Financing Platform by 2013"

- Action: "To review bottlenecks relating to the low absorption rate of EU funds and to ensure better coordination of funding."
- Action: "To support the development of local financial products for business and community development"
- Action: "To examine the feasibility of Danube Investment framework."

Next Steps

By the end of 2012, the following events related to PA10 are planned:

- By end June the PA10 PACs will submit a progress report to the EC.
- A workshop "From project design to implementation" will take place in Ljubljana on July 5-6.
- In the fall (October, November – tbc) a second round of working group meetings will take place (in Vienna and Ljubljana).
- Third meeting of the PA10 SG will take place after the working group meetings (Vienna).

- Second event within the Danube Investment Facility is planned for late 2012, tentatively in Belgrade.
- Stakeholder event is foreseen in first half of 2013.

The dates are tentative and will be confirmed in a timely manner to the SG and respective target audience.

Mr Arbter noted that there are many political and other events related to the Danube region taking place. Influencing them in order to communicate the EUSDR would be value added. Unfortunately there is no comprehensive list available but one of such notable events will be the First Annual EUSDR Conference (Regensburg, 27 – 28 November 2012).