

**EUSDR Report 2015**

**Priority Area 10**

**Stepping up Institutional Capacity and Cooperation**

*Multi-level Governance, Financing, Civil Society*



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## LIST OF ABBREVIATIONS

CEF	Centre of Excellence in Finance
CEI	Central European Initiative
CF	Cohesion Fund
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 JUST	Directorate-General for Justice
DG NEAR	Directorate-General Neighbourhood and Enlargement Negotiations
DG Regio	Directorate-General for Regional and Urban Policy
D-LAP	Danube Local Actors Platform
DSP	Danube Strategy Point
EC	European Commission
EESC	European Economic and Social Committee
EIB	European Investment Bank
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
EUSBSR	EU Strategy for the Baltic Sea Region
EUSDR	EU Strategy for the Danube Region
GAC	General Affairs Council
IMF	International Monetary Fund
MRS	Macro-regional strategies
NC	National Coordinator
NISPACee	Network of Institutes and Schools of Public Administration in Central and Eastern Europe
OECD	Organisation for Economic Cooperation and Development
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
ReSPA	Regional School of Public Administration
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
UNDP	United Nations Development Programme
UPDR	Urban Platform Danube Region
WBIF	Western Balkans Investment Framework
YEI	Youth Employment Initiative

## Executive summary

Priority Area 10 (PA10) of the EU Strategy for Danube Region (EUSDR) was established in 2011 in order to step up institutional capacity and foster cooperation in the 14 countries of the Danube Region. There are specific challenges and opportunities related to the performance of institutions, such as efficient spending of EU funds in the Danube Region, reforms of the public sector, the involvement of civil society, and tackling specific urban challenges. The priority is coordinated jointly by the City of Vienna and the Centre of Excellence in Finance in Ljubljana.

In the framework of the Danube Investment Facility, Priority Area 10 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).

These tools have triggered an enormous interest and success in the reporting period. So far, PA10 has supported 140 projects in the 11 thematic fields of the EUSDR and involved hundreds of stakeholders. These EU-funded pilot projects have also produced a keen interest in the Strategy as such and thereby promoted both the macro-regional mind-set. Specific information on EU funding will be provided through the upcoming pilot project EuroAccess, an online searching-tool gathering and providing information on funding in the Danube Region from 2015 onwards.

Through its horizontal role and its tight relations with European as well as regional institutions, PA10 has strengthened the multilevel governance of the EUSDR, which is a major feature of the macro-regional approach. PA10 has set up and consolidated its well-functioning Steering Group, which is composed by representatives of the ministries in charge of regional development of the 14 participating states of the EUSDR. This consistent network has been widened and was provided with an enlargement perspective through the inclusion of the Regional Cooperation Council, a regional framework promoting cooperation and supporting European and Euro-Atlantic integration in Southeast Europe. Moreover, PA10 cooperated closely with Ukraine in the field of civil society involvement. PA10 has also strengthened its ties with European institutions such as the European Economic and Social Committee, the European Parliament, the Committee of the Regions, as well as the European Commission and continuously lobbied for an integration of the macro-regional approach into mainstream policies. It also has established working relations with international organisations in the Region, e.g. the Central European Initiative.

Nevertheless, building institutional capacity in a macro-regional setting includes not only these well-established institutions, but it also means reaching out to the citizens through the continuous involvement of civil society and NGOs, building on the social capital in the Danube Region. PA10 has ensured the information flow on all levels of the Strategy and advocated the macro-regional approach in numerous and different settings. With the majority of citizens living in cities, PA10 has identified major urban challenges in the Danube Region. A sustainable exchange of experience is carried out on the Urban Platform Danube Region, a network of city administrations of the Danube Region that aims at creating an Urban Agenda for the Danube Region and support project development for the macro-region. PA10 has also established three other platforms related to innovative financing, the civil society and local actors, and the performance of institutions. The four platforms of PA10 shall contribute to creating the modern Danube Region and close the existing gaps between the different areas of the Danube Region. Building institutional capacity has an essential role to play when it comes to creating smart, sustainable and inclusive growth and accelerate the regional development within the Region. Through the macro-regional approach and by providing advice to political leaders, PA10 challenges administrative habits and delivers innovative and concrete tools and projects for the sustainable development of the Danube Region.

## **1. IMPLEMENTATION**

### **1.1. Policy development**

The general attitude of Priority Area 10 “Stepping up Institutional Capacity and Cooperation” (henceforth referred to as “PA10”) is that the EUSDR is not a programme, but should first and foremost be treated as a Strategy. It should be borne in mind that each of the PAs follow different patterns, with PA10 having tight relations towards all the other PAs, first because of the horizontal nature of its topical focus, second because of the pilot projects (TAF-DRP, START, DFD, EuroAccess) which affect all the other PAs.

PAC10 has developed a Strategy Paper “Building a Modern Danube Region” (Annex 7), which was adopted at the 8<sup>th</sup> Steering Group Meeting on 12 June 2015 in Ljubljana. The paper recalls the Strategy’s unique character as a tool for a better use of existing institutions, legislation and funding in the Danube Region. It identifies capitalisation as one of the main tasks of the Priority Area Coordinators (PACs) who should give advice to the political level and identify the real needs in the macro-region, both in terms of projects and policies. This complies with the role of the PAC at the interface of projects and policies. The topics of PA10 (institutional capacity, civil society, urban networks, funding) are at the core of policy innovation within the European Union and more specifically the Danube Region. The conclusions drawn by PAC10 are not only influenced by discourses present in the Danube Region and on the EU level, but also build on the experiences of the EUSDR pilot projects DFD, TAF-DRP and START, which function also as market studies, meaning that they provide insights into specific client markets. The task of the PACs to “identify the possible relevant stakeholders, with particular emphasis on Project Leaders” as formulated on 13 April 2011 by the General Affairs Council in its conclusions on the EUSDR<sup>1</sup>, is crucially being supported by the implementation of these pilot projects and a considerable contribution to build the social capital of the Strategy’s stakeholders.

As a specific Priority Area with tight relations to the other ten Priority Areas, PA10 considers the EUSDR to be an innovative pilot instrument to modernize the Danube Region through accelerating the cohesion process and supporting both European integration and enlargement. Well-functioning, transparent and stable administrations are essential in doing this. The main focus of policies should be the citizens, which matters even more in a macro-region that is partially hit by considerable emigration flows, especially in its East and South. With regard to this, urban policies are most relevant, with more than 75% of the Danube Region’s citizens living in cities. Marginalised communities such as the Roma should also be considered in relation to social cohesion.

PA10 considers the establishment of an open communication culture with relevant actors in the field of cohesion policy to be most important in order to sustain the efforts of regional policy in establishing economic, social and territorial cohesion. In this regard, PA10 has contributed in the on-going discussions and advocated the idea of a modern Danube Region that focuses mainly on the people living in the Danube Region. Institutional capacity is a pre-requisite for a successful cohesion policy, which was also recognised by the Commissioner for Regional Policy in a speech in November 2014. PA10 intends to contribute to the organisation of line-ministries meetings in order to accelerate the implementation process and bring it back onto the political level.

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<sup>1</sup> 8743/11

### *1.1.1. Contribution to Capacity Development*

PA10 has increased its outreach to ministries in charge of public administration, public administration academies and training institutions also to academia dealing with public administration issues and other interested stakeholders, such as CEI, NALAS, IOM. With the event *Reinforcement of e-Governance in the Danube Region*, the PA10 managed to increase the visibility of the digital agenda and notion that effective government digital strategies are an important tool for improving public sector performance, as they leverage the power of innovation and build trust in government services. In one event we addressed issues of government innovation (D-CAP), e-participation (D-LAP) and smart cities (UPDR). The conference conclusions supported the message of EU ministers of public administration meeting in December 2014 that key elements which can affect public sector modernization are open government and cross-national comparison and exchange of practices / knowledge in reform implementation. Open government has been recognized as a key driver for reform as it increases transparency, accountability and collaborating with citizens which also improves quality of regulation. It is also a catalyst for public sector innovation utilizing new technologies as a tool.

### *1.1.2. Contribution to EU Urban Agenda*

PA10 has successfully contributed to consultation process of the establishment of the EU Urban Agenda (Annex 6). This contribution was reflected in the Commission staff document for the EU Urban Agenda<sup>2</sup> of 27 May 2015. The joint statement of the city of Ulm and the Council of Danube Cities and Regions was issued on 29 July 2014. It called for a strong link between macro-regional strategies and the EU Urban Agenda. In the staff document, one stakeholder also called for the establishment of urban networks within each macro-region. It also pleads for a systematic inclusion of local actors and civil society.

In the framework of the Austrian consultation for the ministerial meeting in Riga on 10 June 2015 and respective conclusions, PAC10 recalled again the specific interest of the Danube Region in an EU Urban Agenda and for including the macro-regional dimension in the agenda.

PA10 has developed a consistent point of view related to the real challenges of the Danube Region, many of which are related to urban development and more specifically to medium-sized cities. There are specific needs of the cities and metropolitan areas related to transition and deindustrialization. When applying a place-based approach, especially medium-sized cities should be focussed. Two main issues of urban development are social inclusion and sustainable development, and PA10 cooperates with PA9 “People and Skills” and PA2 “Energy” in both fields. With regard to the specific challenges in the cities of the Danube Region and the fact that these challenges also apply to the five non-EU Member States, PA10 has identified the need for a specific urban agenda for the Danube Region.

### *1.1.3. Contribution to the civil society involvement*

In the framework of Austrian consultation for the conclusions of the General Affairs Council on the governance of macro-regional strategies<sup>3</sup>, PAC10 called for including the urban dimension and civil society as well as aspects of multi-level governance. PAC10 has also strengthened its cooperation with the European Economic and Social Committee (EESC) and the Danube Civil Society Forum. The Roadmap for the implementation of Articles 11(1) and 11(2) of the Treaty on the European

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<sup>2</sup> SWD(2015) 109 final/2

<sup>3</sup> 16207/14, GAC meeting of 28 November 2014

Union which point out that EU institutions should have a constant dialogue with the civil society include explicitly the “macro-regional” dimension after the intervention of PAC10.<sup>4</sup> In the future, presidencies of the Council might be considered useful for the EUSDR implementation, e.g. in 2016 in Slovakia. PA10 has also contributed in an EESC ECO session on 18 June 2015 in cooperation with PA1a of the EUSDR.

In the field of civil society involvement, particular attention was paid to the situation in Ukraine and a close cooperation was established with the Centre for Regional Studies in Odesa. PAC10 participated in a number of events in the framework of the project Danube River Show and a civil society project of the EEAS in Uzhhorod, Chernivtsi, Odesa (September 2014) and Kyiv (April 2015). It can be stated that there is a very high commitment to and interest in the EUSDR and in civil society involvement in Ukraine, which is due to current political circumstances. For PAC10, the EUSDR is not only a tool to deepen European Integration, but also to sustain Enlargement and Neighbourhood Policy, also with a special focus on the Western Balkans.

PAC10 has considerably contributed to establishing sustainable links between the EUSDR and Roma Integration Strategies, in cooperation with both PA9 and Baden-Württemberg. PAC10 has strengthened the cooperation with DG Justice as well as the Council of Europe in this respect and continuously drawn the attention to the macro-regional approach for a social topic that is clearly linked to the Danube Region. Moreover, there is a specific added value of the EUSDR to provide both a transnational and local momentum to the 28 Roma Integration Strategies and in order to include the 5 non-EU countries in the Danube Region into the process.

#### *1.1.4. Lessons learned, positive or negative*

From the point of view of PAC10, there is a capabilities-expectation gap regarding the EUSDR, meaning that the EUSDR cannot possibly fulfil the high expectations, considering the limited influence on existing legislation, institutions, and funding. Nevertheless, the EUSDR and even more the topics of PAC10 can contribute not only to foster economic, territorial and social cohesion in the Danube Region but also as a catalyst for processes in the field of European policy innovation and project development. There is a high interest to listen to PAC10’s point of view in very different frameworks, including international high-level conferences. PAC10 has thereby gained a very specific strategic opportunity to influence political leaders and shape discourses which are capable of supporting the implementation of the EUSDR.

#### *1.1.5. Next steps and challenges*

##### *1.1.5.1. Capacity Development*

The gap between the countries and regions of the Danube Region is substantial. Beyond the macroeconomic conditions, the institutional environment in the region has fallen back with regard to World Competitiveness Report global ranking indicator “Burden of government regulation” and also the World Bank Governance Indicators. Improving the quality of public service and optimizing governance mechanisms for international cooperation is the aim of the Danube Capacity Development Platform (D-CAP). Quality of government means lack or control of corruption, strength of the rule of law and government effectiveness (bureaucratic quality). Quality public administration leads to better economic performance, higher environmental sustainability, and lower income inequality (less poverty, better education and health, higher level of happiness and lower probability of armed civil conflict).

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<sup>4</sup> See <http://www.eesc.europa.eu/?i=portal.en.events-and-activities-ngo-forum-riga-documents>, page 3.



Public sector modernization is a top priority, as the quality of public administration strongly affects the competitiveness and growth of our economies and also citizens' trust in public institutions that has continually been decreasing in the last years due to economic downturn.

### Challenges related to Administrative Capacity in the EU Member States

Commission recommendations for country-specific recommendations issued in May 2015 concern administrative modernisation/rule of law in all of the 9 EU-MS in the Danube Region.<sup>5</sup>

State	Examples of aspects relevant for PA10 within the EC recommendation documents for CSR by the Council
AT	<b>High complexity:</b> Relations between different levels of government remain complex and cause efficiency losses in crucial sectors of public administration.
BG	Insufficient development of <b>e-government</b> ; public procurement rules are hampered by a frequently changing legal framework and <b>insufficient administrative capacity</b> .
CZ	Administrative and regulatory barriers related to investment planning, lack of <b>transparency</b> .
DE	Ensuring <b>adequate public investment</b> at all levels of government.
HR	<b>Administrative weaknesses in the local authorities</b> directly affect a number of areas, such as tax collection, the provision of social benefits, the management of European Structural and Investment Funds, public procurement and the provision of public services.
HU	Corruption and <b>lack of transparency affecting public administration</b> , decision-making and public procurement remain a concern.
RO	<b>Low, fragmented administrative capacity</b> , which is characterised by an unclear delegation of responsibilities.
SI	<b>Public sector wage</b> growth lagging behind private sector wage growth.
SK	<b>Administrative and regulatory barriers</b> related to investment planning, and the lack of transparency hold back public investment.

### Administrative Capacity in the Non-EU Member States

State	Examples of aspects relevant for PA10 in the progress reports/other policy papers published by the EC in 2014/2015
BA	<b>Weaknesses in the capacity of the civil service, i.a.</b> for legal harmonisation and implementation of the <i>acquis</i> . Very limited progress has been made in reforming public administration. Very weak cooperation with civil society. Complex administrative structure.

<sup>5</sup> See [http://ec.europa.eu/europe2020/pdf/csr2015/csr2015-overview-table\\_en.pdf](http://ec.europa.eu/europe2020/pdf/csr2015/csr2015-overview-table_en.pdf), as of May 2015

MD	<b>Weak institutional and human resource capacity of public administrations</b> to elaborate and implement policy and need to ensure the efficient and effective delivery of high-quality public services.
ME	<b>Administrative capacity</b> needs to be strengthened in order to strengthen the <i>acquis</i> and for implementing EU standards.
RS	With regard to administrative capacity, further efforts are needed to an <b>adequate staff retention and recruitment policy</b> , in line with the anticipated workload stemming from the conferral of management.
UA	<b>Regional Development and Decentralisation</b> , with special focus on Eastern and Southern regions of Ukraine.

In the next steps the focus will be put on promoting excellence in public administration through informal cooperation and sharing experiences and joint activities that can help foster reform efforts. Activities of D-CAP will be more streamlined with other PA10 platforms, in particular to issues related urban dimension concerning local administrations (UPDR), civil society – participation and inclusion (D-LAP) and issues related to project development and ESI funds (D-FIP). Involving sufficient number of representatives ranging from ministries dealing with public administration issues, regional and local level administrations and academia will be crucial and has proven to be a challenge.

#### 1.1.5.2. Local Actors

There are challenges in raising the awareness about the EUSDR among civil society organisations, and to create a dynamic that is not money-driven, but motivated by the commitment to the macro-region. General knowledge about the EUSDR remains rather limited. The START seed money facility has shown an enormous interest by NGOs and the academia.

Many countries in the Danube Region still suffer from a rather weak civil society. The lack of good project proposals is also related to this absence of civic engagement and capacity outside institutional settings. Nevertheless, in countries with rapidly changing administrations, civil society has a considerable role in sustaining the institutional memory.

At the occasion of the 1<sup>st</sup> Participation Day in Eisenstadt on 25 June 2014, civil society stakeholders have adopted the “Roadmap to Participation in the EUSDR” on the basis of a draft developed by PA10 and the DCSF (see Annex 8). Together with the DCSF, PAC10 has drafted a road map for civil society involvement in the EUSDR, which intends to incorporate also the National Contact Points for the Europe for Citizen’s programme, which encompasses the 9 EU Member States in the Danube Region and currently also Serbia. Support for civil society is also a crucial topic in Ukraine and the European Union has launched a specific civil society programme in September 2014.

For PA10, the involvement of civil society in the EUSDR is twofold. It includes

- The involvement of civil society in the governance of the EUSDR, especially with regard to multi-level governance and project development (but also in order to comply with the EU’s principles of transparency and participation);

- The strengthening of civil society in the countries of the Danube macro-region, including the claim for more democratic structures and social justice.

The next steps will relate to these two main directions, both of which relate to all Priority Areas and the actions of PA10. It is of utmost importance to reach out to a maximum of motivated stakeholders in the macro-region in order to implement the Strategy and gain motivated multipliers and to ensure the efficient information flow on all levels.

#### 1.1.5.3. Urban development and cooperation

Many cities and metropolitan regions in the Danube area face similar challenges which are related to mainly to a transition processes, deindustrialisation, brain drain and, related to that, depopulation. There are very diverse levels of development in the Danube Region, also on the municipal level and within the Danube countries. PAC10 has set up the Urban Platform Danube Region in cooperation with the Council of Danube Cities and Regions in order to face the specific urban challenges of the Danube Region, which often do not comply with the ones of overall European Union, especially in the more Eastern parts of the Danube macro-region.

Next steps will include the strengthening of the network through the involvement of medium-sized cities in the Region and also the development of projects in accordance with the new targets (see chapter 1.3)

#### 1.1.5.4. Financial and Investment Policies

The low absorption of EU funds is remaining an outstanding issue all over the EU and in particular in the some of the EU countries of the Danube Region that had the lowest rates of absorption in 2007-2013 financing period. Also the non-EU countries of the Danube Region which have access to limited EU funding are facing challenges in absorbing available funds. All EUSDR countries are facing administrative capacity challenges such as project planning and execution, changes in legislation and inconsistent political ownership. The problem has been addressed by the member states as well as the Commission.

Through the Financing and Investment Platform, the PA10 will in cooperation with PA7 and PA8 provide a wide networking basis (PA7, PA8, PA10) that will bring closer policy and decision makers into the process of directing the projects in the Danube Region.

In the next steps we are focusing on bringing the content and usability of the platform. The main challenges will be connected to the usability and promotion of the platform among stakeholders in order to achieve its goals.

## **1.2. What is missing in order to achieve the planned goals?**

Macro-regional strategies such as the EUSDR are based on better coordination of existing funding, existing institutions and existing legislation. There should be a stable and reliable funding mechanism for PACs, most of which work in very small teams and similar to start-up companies. Working in a macro-regional setting means constant lobbying for the own cause and proposing an innovative mind-set, often challenging administrative habits. At several occasions, the General Affairs Council has called on the Commission and the Member States to identify simple and reliable

funding sources for the support of macro-regional strategies.<sup>6</sup> The Council also asked the Commission to provide expertise and to actively facilitate the implementation of the agreed actions and the coordination of existing EU funds and instruments, to cooperate closely with the relevant existing institutions, regional organisations, networks and partners, with a view to improving regional coherence and synergy, and to reinforce the cooperation with the financial institutions necessary for the realisation and funding of the macro-regional strategy as well as to safeguard the involvement of stakeholders concerned at EU level.” There is a need for even closer cooperation between the Member States, the PACs, the Commission and other institutions. As horizontal Priority Area, PA10 should play a key role in facilitating this. Moreover, it is essential that the PAC can rely upon a well-functioning Steering Group in order to make the priority effective in each of the participating states.

This effectiveness requires a strengthened role of the National Coordinators of the Strategy, which should be understood as a political programme with a content-oriented agenda. There is also a need to streamline macro-regional strategies into mainstream policies.

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<sup>6</sup> See 14926/13, 16207/14

## Progress by targets

### 1.2.1. Target (1) PA 10: "Maximum 4 weeks for business start-up permissions by 2015"

The list below gives a brief overview of the main indicators for starting a business in the Danube Region countries.<sup>7</sup> By June 2015, only Bosnia and Herzegovina with 37 days was above the set limit of 4 weeks for business start-up permissions. Nevertheless, there is an average in the Danube Region of approx. two weeks, which is approx. 5 days more than the average of OECD high-income countries with approx. 9 days.

Country	Rank	Distance to frontier	Procedures (number)	Time (days)	Cost (% of income capita)	Paid-in min. capital (% of income per capita)
OECD high income	..	91,24	4,80	9,20	3,40	8,80
EU Danube Region Average	73,5	87,02	6,36	14,64	4,44	15,90
Austria	101	83,42	8,00	22,00	0,30	13,60
Bosnia and Herzegovina	147	72,51	11,00	37,00	14,60	28,60
Bulgaria	49	91,09	4,00	18,00	0,80	0,00
Croatia	88	85,43	7,00	15,00	3,50	26,60
Czech Republic	110	82,58	9,00	19,00	8,00	0,00
Germany	114	81,38	9,00	14,50	8,80	35,80
Hungary	57	90,04	4,00	5,00	8,30	54,00
Moldova	35	92,16	5,00	6,00	4,60	0,00
Montenegro	56	90,05	6,00	10,00	1,60	0,00
Romania	38	91,93	5,00	8,00	2,10	0,70
Serbia	66	88,91	6,00	12,00	6,80	0,00
Slovak Republic	77	87,02	7,00	11,50	1,50	19,20
Slovenia	15	94,39	2,00	6,00	0,00	44,10
Ukraine	76	87,35	6,00	21,00	1,20	0,00

Source: Doing Business 2015, the World Bank.

Moreover, since 2004 (first enlargement round), there was a significant trend downwards in terms of procedures and days in each of the Danube countries:

Country	Year	Procedures (number)	Time (days)
Austria	DB2004	8	25
Austria	DB2015	8	22
Bosnia and Herzegovina	DB2004	12	68
Bosnia and Herzegovina	DB2015	11	37
Bulgaria	DB2004	11	32
Bulgaria	DB2015	4	18

<sup>7</sup> Data rely upon the Doing Business Report of the World Bank, see <http://www.doingbusiness.org/data/exploretopics/starting-a-business>

Country	Year	Procedures (number)	Time (days)
Croatia	DB2004	11	29
Croatia	DB2015	7	15
Czech Republic	DB2004	10	40
Czech Republic	DB2015	9	19
Germany	DB2004	9	45
Germany	DB2015	9	14,5
Hungary	DB2004	6	52
Hungary	DB2015	4	5
Moldova	DB2004	11	42
Moldova	DB2015	5	6
Montenegro <sup>8</sup>	DB2007	13	24
Montenegro	DB2015	6	10
Romania	DB2004	6	29
Romania	DB2015	5	8
Serbia	DB2004	12	56
Serbia	DB2015	6	12
Slovak Republic	DB2004	10	103
Slovak Republic	DB2015	7	11,5
Slovenia	DB2004	9	60
Slovenia	DB2015	2	6
Ukraine	DB2004	15	40
Ukraine	DB2015	6	21

*1.2.2. Target (2) PA 10: Establishing a platform including civil society organizations and open governance networks by 2013.*

Throughout 2014 and in the first half of 2015, the coordinators of PA10 have worked towards the establishment of a platform for civil society and local actors involvement. From the point of view of PA10, it is crucial that the EUSDR not only fosters territorial, economic and social cohesion, but also complies with the European principles of transparency, participation and multi-level governance. In this respect, PA10 has established the Danube Local Actors Platform in close cooperation with the Danube Civil Society Forum (DCSF). There are efforts to make the Participation Day, a one-day event for NGOs, an essential part of all the upcoming Annual Fora of the EUSDR. After the first issue at the eve of the 3<sup>rd</sup> Annual Forum in Vienna, the 2<sup>nd</sup> Participation Day will take place on 28 October 2015, back-to-back with the 4<sup>th</sup> Annual forum in Ulm (Germany). Preparations for the 3<sup>rd</sup> Participation Day at the occasion of the 5<sup>th</sup> Annual Forum are under way and a potential thematic focus being discussed.

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<sup>8</sup> No earlier data available.

1.2.3. *Target (3) PA10: Establishing benchmarks for e-government and reducing excessive bureaucracy by 2012.*

Support for e-government implementation is a key strategic tool to achieve wider governance goals that support economic growth and serve citizens. It is a tool to deliver better policies, improve services, increase accountability and engagement. The Danube Region countries are performing well above the world average concerning the e-government development index (provision of online services, telecommunication connectivity and human capacity). What is worrying though, is the downward trend that a majority of them experienced since 2010. Danube Region particularly lags behind in e-participation, i. e. use of online services to facilitate provision of information by governments to citizens, interaction with stakeholders, and engagement in decision-making processes). The challenges and good practices related to e-government in the region were addressed at a conference organized by PA10 *Reinforcement of e-Governance in the Danube Region* on 20 February 2015 in Ljubljana.

Country	E-Government Development Index (EGDI) 2014	Rank 2014 (rank change since 2010)	E-Participation score	Rank 2014 (rank change since 2010)
World average	0.4712		0.3947	
EU Danube Region Average	0.6114		0.4585	
Austria	0.7912	20 (+4)	0.6275	40 (-19)
Germany	0.7864	21 (-6)	0.7059	24 (-10)
Hungary	0.6637	39 (-12)	0.4510	75 (-39)
Slovenia	0.6505	41 (-12)	0.3922	84 (-64)
Montenegro	0.6346	45 (+15)	0.5882	49 (+27)
Croatia	0.6282	47 (-12)	0.3333	97 (-72)
Slovak Republic	0.6148	51 (-8)	0.6275	40 (+77)
Czech Republic	0.6070	53 (-20)	0.2549	122 (-36)
Romania	0.5632	64 (-17)	0.4706	71 (-7)
Moldova	0.5571	66 (+14)	0.6275	40 (+18)
Serbia	0.5472	69 (+12)	0.4118	81 (+54)
Bulgaria	0.5421	73 (-29)	0.2549	122 (-83)
Ukraine	0.5032	87 (-33)	0.4314	77 (-29)
Bosnia and Herzegovina	0.4707	97 (-23)	0.2353	129 (+6)

Source: E-government survey 2014, United Nations

1.2.4. *Target (4) PA 10: Facilitating a network of metropolitan areas and systems by 2014*

PA10 has contributed in manifold ways and is currently building the Urban Platform Danube Region in cooperation with the Council of Danube Cities and Regions. In addition to the aforementioned contributions to an EU Urban Agenda, PAC10 has continuously lobbied for both the urban agenda within the EUSDR and the macro-regional aspects of urban policies. PAC10 has given inputs at the autumn conference of the Network of Metropolitan Regions and Areas (METREX) on 8 October 2014 in Brussels. On 26-27 January 2015, PAC10 has organised a stakeholder conference for the UPDR with approx. 200 stakeholders from all over the Danube Region, with a strong emphasis on financing, open governance, transport, gender equality, and

entrepreneurship. PAC10 has cooperated with several other Priority Areas in this regard. At the occasion of the first 1<sup>st</sup> UPDR Advisory Committee Meeting with Thematic Leader's Knowledge Exchange Camp, different cities and organisations of the Danube Region committed themselves to take over thematic leadership within the UPDR (see Annex 9). The following cities showed commitment in the respective thematic areas:

### Cities interested in EUSDR Cooperation on the UPDR

Organisation	Topic	Activity
City of Bratislava	<ul style="list-style-type: none"> <li>- Participatory Budgeting</li> <li>- Public Discussion</li> <li>- Ethics of Employees</li> <li>- Electronic household</li> </ul>	<ul style="list-style-type: none"> <li>- Study Visits</li> <li>- Sharing of Documents</li> <li>- Workshops</li> </ul>
City of Bucharest	<ul style="list-style-type: none"> <li>- Health Cities</li> </ul>	
City of Budapest	<ul style="list-style-type: none"> <li>- Integrated Urban Planning</li> <li>- Green City</li> <li>- Alternative Energy</li> </ul>	<ul style="list-style-type: none"> <li>- Promoting new start ups</li> <li>- ISCO</li> <li>- Network for innovative partnership</li> </ul>
City of Ljubljana	<ul style="list-style-type: none"> <li>- Urban Renewal</li> <li>- Urban Transport</li> <li>- Regional Responsibility</li> </ul>	<ul style="list-style-type: none"> <li>- Annual Forum</li> </ul>
City of Munich	<ul style="list-style-type: none"> <li>- Education/Inclusion</li> <li>- Migration</li> <li>- Formal Education</li> <li>- Democratic changes</li> <li>- Accessibility</li> </ul>	<ul style="list-style-type: none"> <li>- Knowledge transfer cooperation</li> </ul>
City of Vienna	<ul style="list-style-type: none"> <li>- Smart City</li> </ul>	<ul style="list-style-type: none"> <li>- Workshops</li> <li>- Consulting</li> <li>- Strategic approach</li> </ul>
International Association of Water Supply Companies in the Danube River Catchment Area (IAWD)	<ul style="list-style-type: none"> <li>- Supply of Water &amp; Waste Water</li> <li>- Asset Management</li> <li>- Energy efficiency</li> <li>- Utility benchmarking</li> <li>- Commercial efficiency</li> </ul>	<ul style="list-style-type: none"> <li>- Capacity building</li> <li>- Curriculum development</li> </ul>
Organization for International Economic Relations (OiER) – United Smart Cities Programme	<ul style="list-style-type: none"> <li>- Urban development &amp; Smart Cities</li> <li>- Smart urban solutions</li> </ul>	<ul style="list-style-type: none"> <li>- Assessing urban projects</li> <li>- Connection to the private sector</li> </ul>
EPOURBAN (ETC-Project)	<ul style="list-style-type: none"> <li>- Housing</li> <li>- Cooperation between private house owners and public sector</li> </ul>	<ul style="list-style-type: none"> <li>- Consulting system</li> <li>- Best practices</li> <li>- Consulting business concept</li> <li>- Learning tool</li> </ul>
Smart City Platform (Ljubljana)	<ul style="list-style-type: none"> <li>- Real estate</li> <li>- Energy</li> <li>- Water</li> <li>- mobility</li> </ul>	Involvement of business sector



	- My city services	Technology as enabler Smart City→smart Mayor→smart people
Danube Cultural Cluster	- Cooperation platform - Danube cultural brand - Creativity and invention - Contemporary culture	Promoting culture Events
Platform of Local Communities along the Danube River in Romania (CLDR)	- Promoting cities - Cultural heritage - Roma inclusion	- Document sharing - Info point in Danube Region - Workshop of best practices
Austrian Association of Cities & Towns (AACT)	- Capacity building on local level	- Bringing urban stakeholder together
Central European Initiative (CEI)	- Tourism - Soft transport	- Information sharing

1.2.5. Target (5) PA 10: “Establish a Danube Financing Platform by 2013”

The PA10 successfully organized the fourth Danube Financing Dialogue (DFD) in Zagreb from 23-24 April 2015, providing a unique match-making platform of project leaders’ financing needs and financing possibilities offered by financing institutions (please see 1.5. for more information). The successful implementation of DFDs and overwhelming response to START prompted PA10 to establish a Financing and Investment Platform for the Danube Region (D-FIP). The platform that will be managed together with PA8 and PA7 will build on the experiences of financial dialogues, the Technical Assistance Facility and START. It will act as a market place for projects, e-forum for communication among project promoters and financing institutions. Through the search tool EuroAccess (see chapter 1.4.8.) the portal will enable users to identify funding opportunities throughout the Danube Region and across a number of sectors. Members will use the platform to get all relevant knowledge, generate partnerships, discuss success factors of competitiveness and develop suitable projects.

### 1.3. New targets

At the occasion of its 8<sup>th</sup> Steering Group Meeting PAC10 on 10 June in Ljubljana, and bearing in mind the fact that the current targets were reached and are therefore out-dated, PAC10 has proposed a group of action and to introduce new targets, which were unanimously adopted by the Steering Group. Each of the targets relates to one of the PA10 platforms which were introduced at 7<sup>th</sup> Steering Group Meeting held on 23 October 2014 in Brussels. The new targets also rely on the work experiences of the PACs and should also be considered for the Danube Transnational Programme.

Target	Action according to EUSDR Action Plan 12/2010	PA10 Platform
1	“Improve World Bank governance indicators related to government effectiveness, regulatory quality and control of corruption in comparison to 2011”	D-CAP
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”	D-LAP
	“To improve the trust of citizens and stakeholders in political authorities.”	
3	“The UPDR helps to generate, trough the exchange of information and the support, on all levels of cooperation, for 25% of UPDR Member organisations at least one Urban Danube Project, furthering the aim of better spending”	UPDR
	“To build metropolitan regions in the Danube Region”.	
	“To improve the trust of citizens and stakeholders in political authorities”	
	“To facilitate the administrative cooperation of communities living in border regions”	
4	“Increase the average absorption rate of EU funds in the Danube Region in comparison to 2007-2013 period”	D-FIP
	“To review bottlenecks relating to the low absorption rate of EU funds and to ensure better coordination of funding.”	
	“To support the development of local financial products for business and community development”	
	“To examine the feasibility of Danube Investment framework.”	

## 1.4. Examples of key actions and projects

### 1.4.1. *Building Capacities – Baile Herculane*

The overall goal of the B-CAP (“Building Capacities”) project is to implement a vocational center (based on the experiences of the "Vocational Centre of Moldova") to qualify youth or/and elderly workers in the restoration sector and and restore one or two buildings (as a pilot). A concept and a financial strategy for the vocational center is being developed, including the identification of adequate funding possibilities. Furthermore a concept for the touristical usage of Baile Herculane will be developed in alignment with the Romanian tourism Strategy. This should be also a trend-setting example for smaller towns and villages in similar circumstances. One of the key aspects of this activity is the question of how local and regional networks can lead to a joint effort in developing tourism offers. To develop a concrete concept one workshop is planned to get to know the relevant actors in the region, to involve them in the development of the concept and to get a broad acceptance. It is also planned to invite tourism-experts from other European regions to this workshop to initialise a exchange of information (incl. budget plan).

### 1.4.2. *Danube Cultural Cluster*

The Danube Cultural Cluster – an international project – is an initiative of Balassi Institute – Collegium Hungaricum Vienna, established in 2012. The Danube Cultural Cluster is a cooperation platform, developed in accordance with the EU Strategy for the Danube Region (EUSDR). Its primary aim is to represent the interests of contemporary cultural and creative projects, as well as to establish a communication and cooperation platform for them while generating own projects with an eye toward enhancing the 'Danube' as a quality cultural brand. Being a project of PA3 “Culture and Tourism”, the Danube Cultural Cluster has developed an excellent horizontal collaboration with PA10. The Danube Cultural Cluster association collaborates with a wide range of institutes and NGOs that have been engaging in numerous international and cultural events and partnerships.



The Danube Cultural Cluster functions as a new network of cultural actors in the Danube Region. From the point of view of PA10, culture matters not only in order to build trust and a common identity with a view to the common social capital of EUSDR actors, but also in terms of regional development, e.g. through creative industries.

### 1.4.3. *EPOUrban*

The EPOUrban project was funded by the Central Europe programme and deals with the rapid social and demographic change in Central European transformation cities, which exposes residential areas to an extreme pressure to adapt. As a consequence, most of the cities have some dysfunctional residential areas and are in urgent need of integrated development strategies. The deprived city areas are seldom interesting for large private investors and in-dividual owners do not possess capacities for action. A great lack is identified in sufficient informational, conceptual, financial capabilities for a convenient development of their prop-erty.



These obstacles aggravate as the location of a building is problematic (magistrals, instable neighbourhoods) or as the ownership structures are complicated. Hence a market failure in the

housing-market can be observed, which is at the same time an important bottleneck in the revitalisation process. The integration of private owners of residential buildings into the overall revitalisation strategies is therefore essential for urban development. The EPOurban Project attempts to remove this bottleneck by the implementation of innovative methods in combination with well-established instruments. PA10 will take into account the experiences of EPOurban when planning new initiatives in the field of urban revitalisation.

#### 1.4.4. *DANTE4PA*

The objective of the overall DANTE4PA project is to strengthen administrative capacities on the local & regional level in the Danube Region by implementing a sustainable transnational capacity building approach on a Danube Region (DR) wide basis. The aim is to install a three level transnational network between Vocational Education & Training Systems, Civil Services and Governments connecting the following types of institutions and stakeholders:

- vocational education & training providers
- local/regional administrations (training beneficiaries)
- systemic multipliers on programme/ministerial level (training supporters)

This multi-level cooperative structure facilitates:

- professional exchange of experience, best practice & task based learning approaches, addressing concrete public administration issues
- direct capacity building by mutual development
- implementation of vocational trainings addressing common challenges for local & regional public administrations

#### 1.4.5. *Danube Financing Dialogue*

The Danube Financing Dialogue brings together project promoters (e.g. small and medium-size enterprises or else) from the whole Danube Region with international financing institutions and national funding sources. The Dialogue is providing a unique platform for stimulating match-making of project leaders' financing needs and financing possibilities offered by financing institutions. After the first edition held in Vienna in March 2012, the second edition was organised on 24-25 January 2013 in Belgrade and hosted by the National Bank of Serbia. The third issue of the Financing Dialogue was held on 30-31 October 2013 back-to-back with the 2nd Annual Forum in Bucharest. The 4<sup>th</sup> DFD was held in Zagreb on 23-24 April 2015.

With more than 800 stakeholders involved and approx. 100 projects presented in its first four editions, the DFD has contributed significantly towards the mutual exchange of information in the Danube Region, and shows the need for a sustainable platform on financing to accompany the development of initiatives in the Danube Region in 2014-2020. A report issued by Lechner + Reiter Social Research in 2014 has shown that most participants see a clear added-value of the Danube Financing Dialogue and consider it to be a unique opportunity for targeted networking.

#### 1.4.6. *Technical Assistance Facility for Danube Region Projects (TAF-DRP)*

The Technical Assistance Facility for Danube Region Projects (TAF-DRP) II, as an extension to TAF-DRP I, is a pilot initiative for the EU Strategy for the Danube Region, whose implementation has been entrusted to the Vienna office of PAC10.

The aim of TAF-DRP is to support the preparation and development of qualitative projects in a transnational, macro-regional environment. In this way, TAF-DRP can be a real boost for the

implementation of the EUSDR for the programming period 2014-2020. Indeed, a study conducted by the European Commission in 2011 revealed that many project ideas never turn into concrete projects, due to a lack of capacity, know-how and resources, as well as the existence of legal, technical and financial obstacles. Unlike in the 1<sup>st</sup> phase, where two calls were organised, in TAF-DRP II it is planned to launch one call for proposals and select between 15 and 20 projects. Selected applicants will be supported by expert teams to develop their project ideas into bankable/fundable project concepts. Expert services will be provided free of charge for a duration of approx. 6 months. The value of expert services is planned to be approximately € 25,000 (incl. VAT) per project.

#### *1.4.7. START - Danube Region Project Fund*

The realisation of projects and initiatives is essential for the success of the EUSDR. In order to foster the project development on the macro-regional level, START - Danube Region Project Fund was created as a pilot initiative of the EUSDR. It provides seed money for the development and implementation of Danube Region projects. Beneficiaries receive an



early pre-financing in order to cover the project expenses from the beginning. This helps especially small organisations with limited resources to initiate their projects. START is coordinated by PAC10 of the City of Vienna, with the involvement of all Priority Areas. The implementation of START will run until the end of 2016.

#### The main objectives of the action are:

- to kick-start project development in the Danube Region and to facilitate the financing of transnational projects
- to help organisations and institutions in the Danube Region to develop and implement their project ideas

This pilot initiative of the EUSDR provides seed money for the development and implementation of Danube Region projects. Seed Money means that beneficiaries receive an early pre-financing in order to cover the project expenses from the beginning. This helps especially small organisations with limited resources to *START* their projects.

After the success of the call of START I with more than 800 applications, it was agreed with the European Commission to “top up” START for a complementary selection round through the splitting of funds available for the TAF-DRP Phase II action into two separate action with the same allocation: TAF-DRP Phase II and START Phase II. This was done in the first quarter of 2015 and will enable to select approx. 24 additional projects for START funding.

#### *1.4.8. EuroAccess*

EuroAccess Danube Region will be an online information and search tool on EU-funding available in the Danube Region, that can be used as support for the implementation of the Action Plan of the EUSDR in the period 2014-2020. The objective is to provide an online search tool which can be used to find possible and available funding possibilities for EU-projects in the Danube Region.

The tool is addressed to:

- Project promoters in the Danube Region, looking for funding sources for their project ideas in their country and/or in cooperation with partners from other countries.
- EUSDR stakeholders such as Priority Area Coordinators and National Contact Persons, looking for instance for funding sources available in the region for the topic(s) addressed by their Priority Area.

The expected results are:

- Increased number of organisations receiving adequate information on relevant EU-funding possibilities for their projects
- Increased number of project ideas finding implementation potential
- Increase uptake of EU funding in the Danube Region

The action contributes to action 7 of PA10 in the EUSDR Action Plan: “to review bottlenecks relating to the low absorption rate of EU funds and to ensure better coordination of funding”.

All the PAC10 pilot projects are described in detail in the respective annexes.

## 2. GOVERNANCE

This chapter focuses primarily on the deliverables to be fulfilled by the PACs, as requested by the European Commission in August 2011.

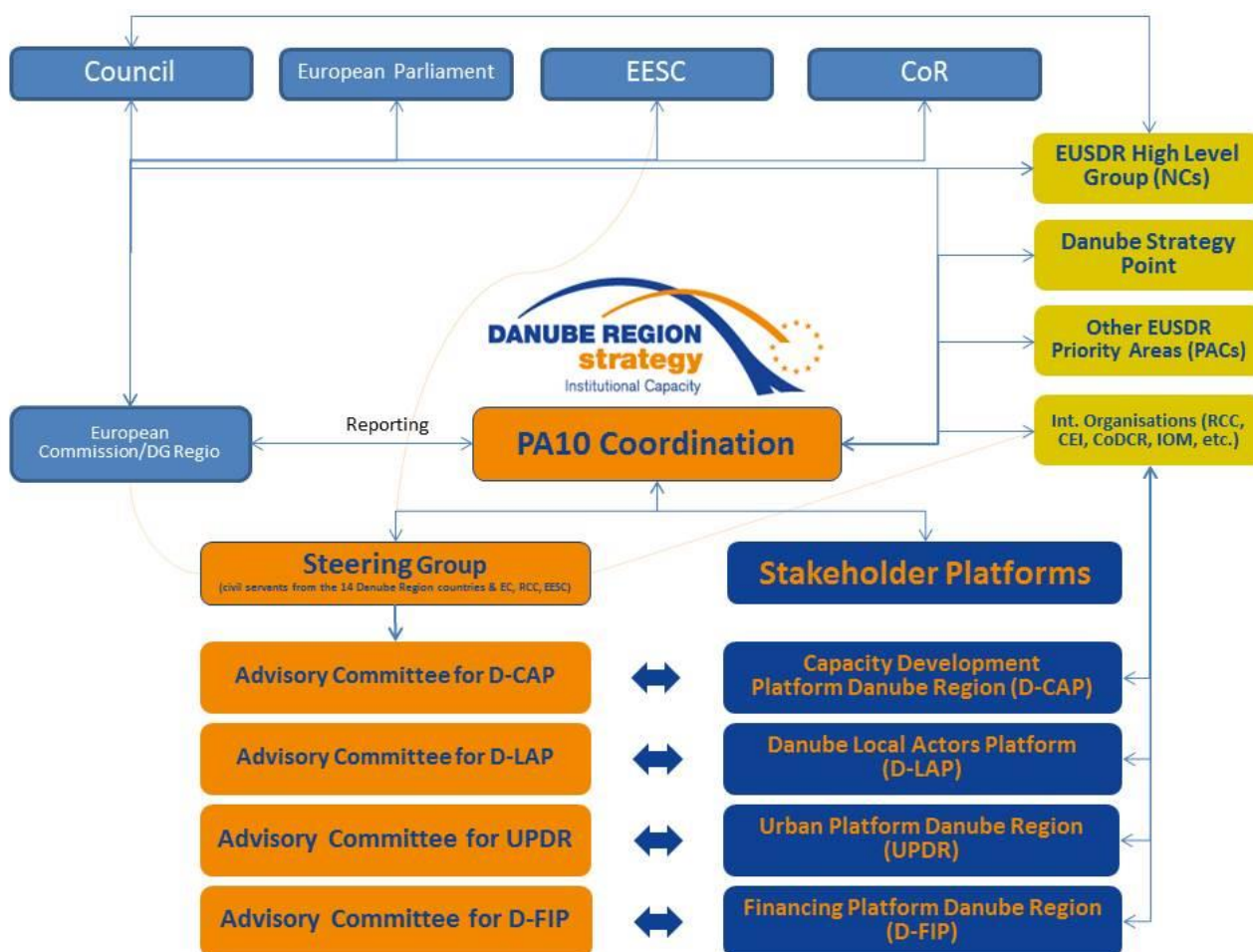
### 2.1. Steering Group Meetings

#### Steering Group attendance in PA10

	AT	BA	BG	CZ	DE	HR	HU	MD	ME	RO	RS	SI	SK	UA	EC	EESC	RCC
SG7	+	-	+	-	+	-	+	-	-	+	+	+	+	+	+	+	+
SG8	+	-	+	+	+	+	+	-	-	+	+	+	+	+	+	-	-

#### 7<sup>th</sup> Meeting of the Steering Group, Brussels, 23 October 2014

The governance of PA10 saw a significant change with the 7<sup>th</sup> Steering Group Meeting held in Brussels on 23 October 2014. PA10 decided to open up its structure of four Working Groups towards four Platforms with a different thematic setting. The SG agreed on the following governance scheme of PA10:



This considerable change of the governance structure complies with one of the core tasks of the PAC “to identify the possible relevant stakeholders, with particular emphasis on Project Leaders”, which was formulated in the General Affairs Council Conclusions of 13 April 2011.<sup>9</sup> While the Danube Local Actors Platform and the Urban Platform Danube Region are mainly implemented by the City of Vienna, the Danube Financing Platform and the Danube Capacity Building Platform are led by the Centre of Excellence in Finance in Ljubljana. The platform structure allows for a more flexible methodology and for reaching out to stakeholders in a coordinated manner.

At its 7<sup>th</sup> SG Meeting, the SG also expressed its readiness to fully support the upcoming Danube Strategy Point. See Annex 12.

#### 8<sup>th</sup> Meeting of the Steering Group, Ljubljana, 10 June 2015

The SG of PA10 mainly discussed the new targets of PA10 (see chapter 1.3) and took an outlook on the Annual Forum in Ulm (see Annex 13). Both meetings showed a considerable participation from the Danube countries, as well as the Commission, the RCC and the EESC. Moreover, the NCs from Baden-Württemberg and Romania participate on a regular basis. See Annex 13.

## **2.2. Meetings of the Advisory Committees**

#### 1<sup>st</sup> meeting of the Danube Local Actors Platform Advisory Committee, 4 November 2014

Civil society involvement is gaining momentum not only in the implementation, but also in the governance of macro-regional strategies. This fact was recognised both in the communication of the European Commission of 20 May 2014<sup>10</sup> and in the General Affairs Council conclusions of 28 November 2014<sup>11</sup>.

#### 1<sup>st</sup> meeting of the Capacity Developing Platform Danube Region Advisory Committee (D-CAP), 19 February 2015

The Advisory Committee of D-CAP discussed how to broaden the scope of activities by promoting excellence in Danube Region public administrations at all levels and facilitating exchange of knowledge and best practice cases in the Danube Region public service. D-CAP will continue to act as a platform for identifying synergies, new projects and initiatives that could be mutually developed by interested stakeholders. Thematic focus of D-CAP was also discussed and possibilities to broaden the Advisory Committee

#### 2<sup>nd</sup> meeting of the Danube Local Actors Platform Advisory Committee, 13 May 2015

The advisory committee of the Danube Local Actors Platform (D-LAP) took the main decisions for content and the structure of the 2<sup>nd</sup> Participation Day of the EUSDR, which will be held back-to-back with the 4<sup>th</sup> Annual Forum of the EUSDR in Ulm. The D-LAP works jointly with the DCSF on the implementation of the “Eisenstadt Roadmap” and the actions related to civil society involvement in the Action Plan.

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<sup>9</sup> 8388/11

<sup>10</sup> COM/2014/0284 final

<sup>11</sup> 16207/14



### **2.3. Stakeholder Meetings**

#### 2<sup>nd</sup> Stakeholder Conference of the Urban Platform Danube Region, Vienna, 26-27 January 2015<sup>12</sup>

A number of cities committed themselves to participate on the Urban Platform Danube Region. For more information, please see annex Annex 9. Back-to-back with the conference, a meeting of the Council of Danube Cities and Regions was held. More than 200 stakeholders attended. See Annex 9.

#### Strategic Meeting “Fostering Institutional Capacity and Cooperation for Roma Integration in the Danube Region”, 9-10 October 2014

This meeting was organised in cooperation with PA9 and focussed on better spending of ESIF with regard to the Integration of Roma and other marginalized groups. It assembled approx. 70 actors from European institutions and EUSDR National Coordinators, as well as National Roma Coordinators and Managing Authorities. See Annex 11.

#### Reinforcement of e-Governance in the Danube Region: Government Innovation and Digital Agenda in the Danube Region, 20 February 2015

More than 100 participants attended the conference bringing together representatives of the European Commission, Danube Region public administrations, civil society and cities discussing the advantages, challenges and perspectives of successful digital agenda (e-government) implementation. See Annex 10.

### **2.4. Institutional Cooperation with European Institutions**

PAC10 has been cooperating closely with the European Economic and Social Committee (EESC) and has presented the EUSDR at the EESC ECOSOC meeting on 18 June 2015. The EESC is represented both in the SG of PA10 and in the advisory committee of the D-LAP. Moreover, PAC10 is working towards the establishment of a Danube Intergroup within the Committee of the Regions. On 1 July 2014, PAC10 was invited to give a presentation on Roma Integration and the EUSDR in the framework of a TAIEX-Local Administration Facility event organised jointly by DG Enlargement and the Committee of the Regions. Subsequently, together with PA9 and the Austrian Contact Point for Roma Integration (Austrian Federal Chancellery), on 9-10 October 2014, PAC10 was the main organiser of the above-mentioned event on the use of ESIF and Roma Integration, involving a wide range of institutions such as DG Regio, DG Employment, DG Justice, the Fundamental Rights Agency, the European Court of Auditors, the EESC, as well as Managing Authorities of several European Programmes and the Romanian National EUSDR Coordinator. As a result, another input on Roma Integration was given in Stuttgart on 1 December 2014 upon invitation by Europe Direct. PAC10 has also contributed to a conference on 20-21 April 2015 in Ulm with a focus on project development for marginalised communities. PAC10 has also cooperated with the European Training Foundation (ETF) that will become closely involved with D-CAP.

Throughout the reporting period, PAC10 has intensified its relations with the European Parliament (EP). In a study issued on 15 January 2014 on the “New Role of macro-regional strategies in Territorial Cooperation”<sup>13</sup>, PA10 was highlighted for the cooperation with civil society actors.

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<sup>12</sup> See <http://www.danube-capacitycooperation.eu/pages/updr2015>

<sup>13</sup> See [http://www.europarl.europa.eu/thinktank/en/document.html?reference=IPOL\\_STU%282015%29540349](http://www.europarl.europa.eu/thinktank/en/document.html?reference=IPOL_STU%282015%29540349), page 53

PAC10 held meetings with the chair of the REGI Committee on 8 January 2015 and plans a joint activity with an Austrian Member of the REGI Committee in autumn 2015.

In the aftermath of the 3<sup>rd</sup> Annual Forum of the EUSDR in Vienna in June 2014, PA10 included the Regional Cooperation Council into its Steering Group in order to improve its relations to (potential) candidate countries on the Western Balkans. PAC10 also has an on-going exchange of experience with the Horizontal Action “Capacity” of the EU Strategy for the Baltic Sea Region (Norden Association).

## **2.5. Institutional Cooperation**

PA10’s activities in the field of Institutional Cooperation have clearly gained momentum since the 3<sup>rd</sup> Annual Forum on 27 and 28 June 2014 in Vienna. There is an on-going cooperation with the Central European Initiative (CEI). On 21 May 2015, the Macedonian presidency of the CEI held a conference on “European Integration through Regional Cooperation – Perspectives of the EU Macro-Regional Strategies”, where the CEI proposed to act at the interfaces of the EUSDR and the EU Strategy for the Adriatic and Ionian Region (EUSAIR). At this occasion, PAC10 invited Macedonia to join its Steering Group. PAC10 has also established working relations with the International Organisation for Migration (IOM) that is represented in both the Steering Group and the Advisory Committee of the Danube Local Actors Platform (D-LAP). On the level of Urban Policies, PAC10 is currently cooperating with EUROCITIES and presented the EUSDR and the Urban Platform Danube Region at the last EUROCITIES annual conference on 5-7 November 2014 in Munich. Moreover, PAC10 presented the EUSDR at the METREX (Network of European Metropolitan Regions and Areas) conference on 8 October 2014.

PA10 is in contact and communicates with a wide range of networks as well as international and regional institutions such as Višegrád group, the OECD, NALAS, etc.

## **2.6. Links with other Priority Areas**

PA10 is a horizontal Priority Area and has therefore established sustainable relations with other Priority Areas, e.g., the above-mentioned contribution to an EESC ECO meeting on 18 June 2015 was carried out in cooperation with PA1. The Danube Financing and Investment Platform is currently being developed in cooperation with PA8 and PA7 and in relation to the EuroAccess pilot project. PAC10 cooperates with PA9 in the fields of Roma Integration and Capacity Building for social partners. PA7 and PA3 are represented within the advisory committee of the Danube Local Actors Platform and PA10 cooperates with PA3 within the Danube Cultural Cluster. PAC8 contributed to a session on entrepreneurship education at the second stakeholder conference of the Urban Platform Danube Region, in cooperation with DG Enterprise and Industry. In November 2015, a conference on human traffic is planned by PA10 in cooperation with PA11 and the EC representation in Vienna. Joint Action with PA2 is under way on the Urban Platform Danube Region, i.a. in the Framework of the 4<sup>th</sup> Annual Forum of the EUSDR in Ulm. The overall assessment is that PAC10 serves as a catalyst in the Strategy’s implementation in accordance with its role the Action Plan proposed by the Commission and that there is a growing interest to make use of the platforms, especially to the Urban Platform Danube Region, in order to reach out to the cities of the Danube Region, as project or strategic partners.

## **2.7. PAC10 questionnaire 2015**

Like in 2014, PA10 conducted an online questionnaire within its Steering Group (SG) with the aim of learning more about the views of its Members, see Annex 17. 10 out of 14 country representatives in the SG participated in the questionnaire and the results were presented at the 8<sup>th</sup>

Steering Group Meeting in Ljubljana. The questionnaire shows that more than two thirds of these active SG Members stress that they spend less than 30% of their workload for the EUSDR. The majority of the SG Members have attended three or less SG meetings and their activities are mostly connected to the participation in EUSDR-related events and reporting to their National Coordinators (NCs) or to the PAC. Most of the SG members state that the EUSDR has a rather weak or average visibility in their respective country and that there is a rather weak consistency between the EUSDR and the Cohesion Policy. In order to increase the visibility of the EUSDR, the SG members propose i.a. a stronger involvement of the civil society and stakeholders, media marketing and information campaigns. They also claim that more financial resources should be used for such campaigns and that project managers who implement EUSDR project should inform the general public on the project's impacts on the EUSDR objectives.

When it comes to developing flagship projects in the thematic fields of PA10, the opinion of the SG is divided: Six out of 10 respondents state that PA10 should develop flagship projects. Nevertheless, there is not yet a common definition of what makes a project 'macro-regional'.<sup>14</sup> Some state that an EUSDR project should have a real and substantial impact and have a transnational character. The approach of PAC10 is that a macro-regional project provides both a technical solution and a capacity building element. It should be linked to the Priority Areas defined in the Action Plan and to the macro-region as such. It was also pointed out by the SG members that there should be a mix of different project partners such as NGOs, academia, etc. According to the respondents, a macro-regional project should at least involve partners from two different countries and be based upon an integrated and/or territorial approach. It should generate an added value for the region and its results should be visible and could be evaluated by the civil society and concrete beneficiaries.

Within the activities and four topics of PA10, respondents privilege clearly the topic of Capacity Building, whereas Financing and Investment seem to matter to a lesser degree to them. In implementing PA10, respondents point out that it is a challenge that national decision-takers feel involved in the process of EUSDR implementation. One respondent wrote that the PACs and involved team members cannot play the role of programme "indicators"/"reporting" or "monitoring" instruments. It is not exactly their job to effectively ensure quantity or quality reforms/results in each of the nationally represented countries. It should be rather understood as a general process that is both coordinated by the Commission/nationally and represented governments. Another respondent stressed that the widespread publication of results of PA10 projects would lead to a more sustainability. Other aspects that were addressed are the development of new small funding instruments such as START, the involvement of civil society to acquire more visibility and the strengthening of the already existing networks. One SG Member drew the attention to the lack of administrative capacity of the smaller councils in the entire Danube macro-region to write EUSDR relevant projects and to find the appropriate financing sources for their implementation, which makes initiatives like START and TAF-DRP even more important.

When it comes to the main successes in the report period, respondents reflect different issues, according to the involvement/commitment of their countries in the Strategy. Some identify the main success in the achievement of coordination and information flow between the different players, connecting the existing nets of organizations, key players and other beneficiaries and connecting each other with concrete expertise, knowledge or experience in developing projects. Some name existing projects such as START or the Danube Region Research and Innovation Funds (DRIFF). The START fund has considerably increased the visibility of the Strategy. Respondents also

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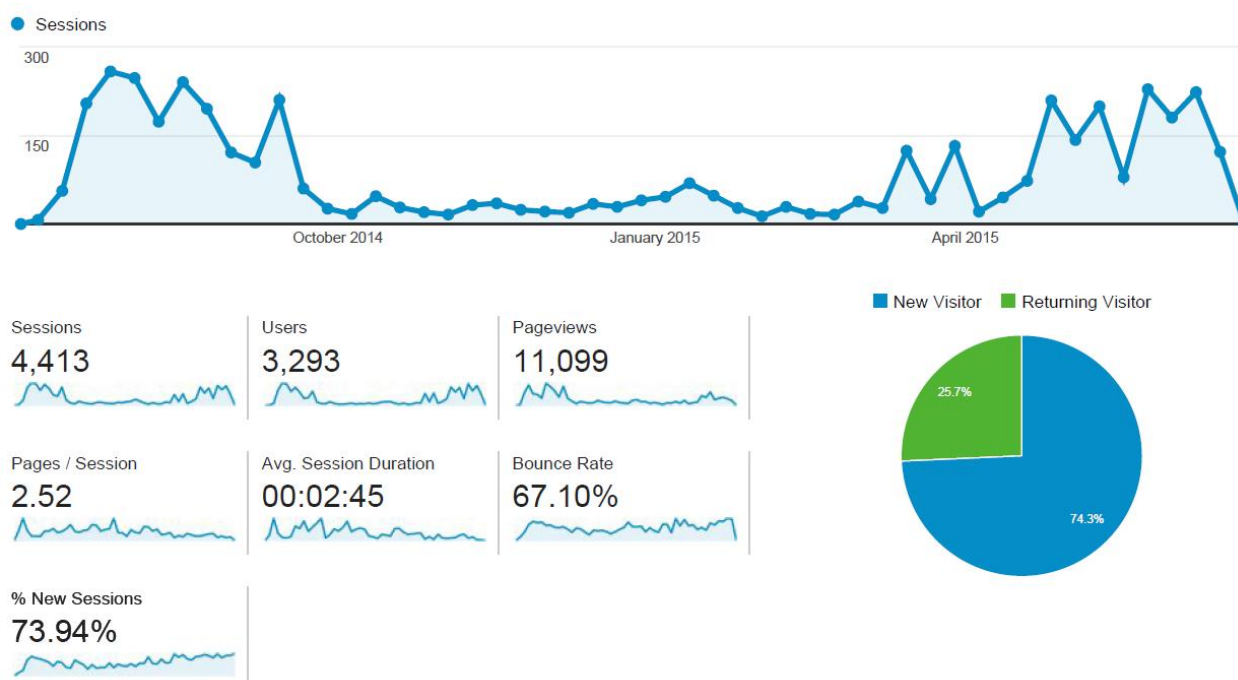
<sup>14</sup> This need for clarification of the concept was also stressed in a recent study on the EUSBSR published on 10 June 2015, see [http://www.interact-eu.net/news/cooperation\\_methods\\_and\\_tools\\_to\\_support\\_the\\_eusbsr/7/19413](http://www.interact-eu.net/news/cooperation_methods_and_tools_to_support_the_eusbsr/7/19413)

mention the new Danube Transnational Programme as well as national efforts to increase the coordination and commitment on the national level. The Strategy has led to a modernisation of structures and challenges administrative habits.

In order to increase the efficiency of PA10, SG members mention as most important tools project development, networking and the mainstreaming of the macro-regional dimension into policy documents, influencing political leaders, and writing contributions to EU public consultation procedures. The organisation of stakeholder events and the development of strategic documents is estimated to matter to a lesser degree. One respondent points out that is the time to use the existing experience and knowledge to “bring the importance of the macro-regional strategy to the ‘right’ place and that it should be understood that this is “one of the very few instruments and mechanisms for strengthening the region in a period of global uncertainty and challenges” and that it is the job of the Strategy’s stakeholders to make it work effectively.

## 2.8. PA10 website, publications

The visibility of the PA10 website is increasing, with more than 3000 users, more than 4000 sessions and more than 11.000 page views in the reporting period. The website of PA10 is one of the most visible ones of all PAs. Peaks were reached after the 3<sup>rd</sup> Annual Forum of the EUSDR in Vienna at the end of June 2014 and more recently connected to the START calls published on the website.

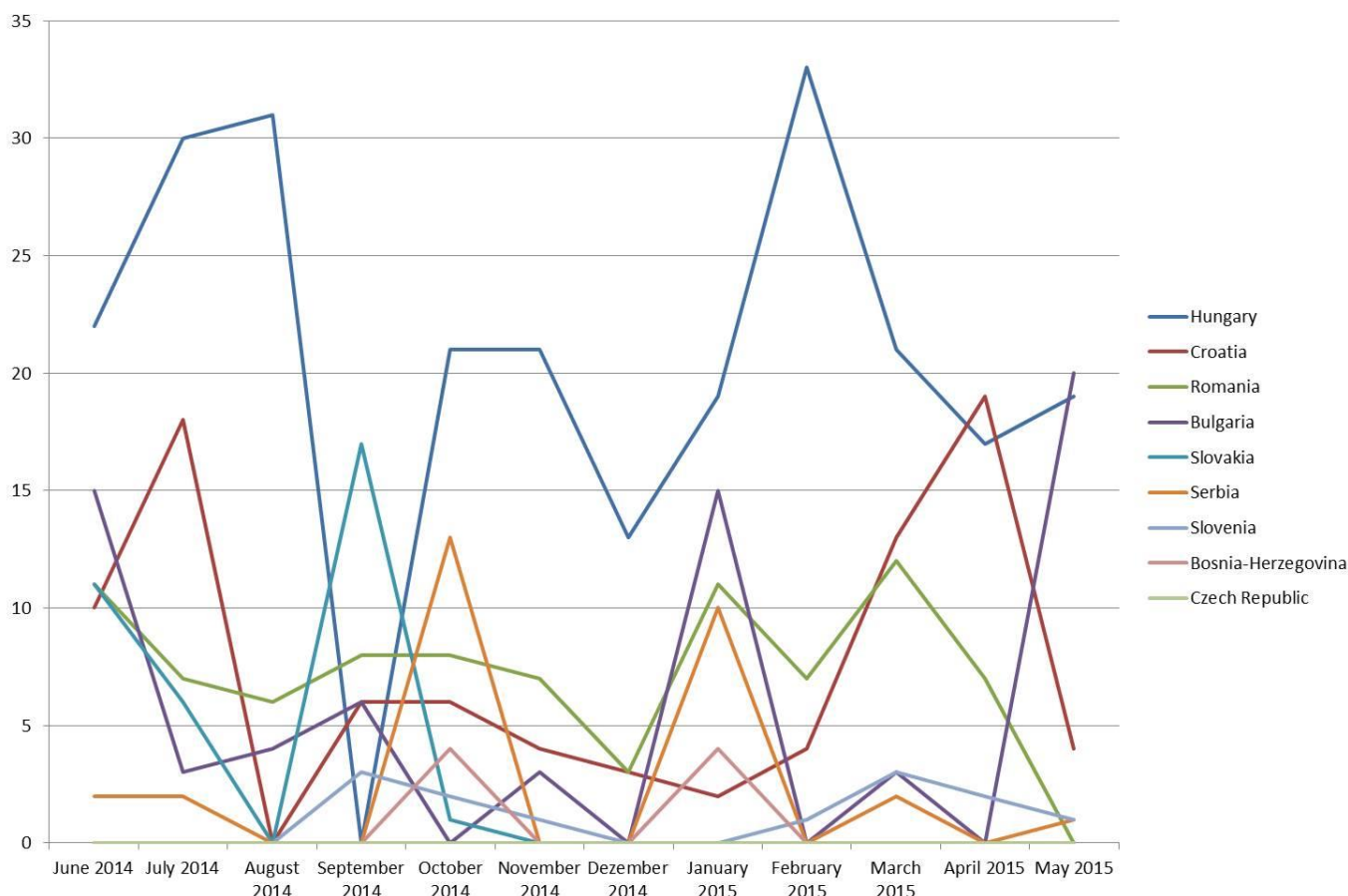


### PA10 website statistics, end of June 2015

PA10 has also contributed in diverse publications. In Austria, a specific publication was dedicated to “Urban Development in the Danube Region”<sup>15</sup> in cooperation with the Institute for the Danube Region and Central Europe. A publication related to the outcomes of the pilot projects and the activities of PA10 is currently being prepared for the 4<sup>th</sup> Annual Forum. CompressPR, an agency of the city of Vienna with offices in most of the CESEE countries, is carrying out a media analysis

<sup>15</sup> See <http://www.idm.at/publikationen/info-europa/info-europa-2015/item/gut-besser-smart-stadtentwicklung-im-donaauraum>

(print and online). It shows that the interest of the media is connected mostly to the river as such, but also to EUSDR stakeholder events. Some of the PA10 events have clearly contributed to the information flow of the EUSDR, e.g. the UPDR conference in January 2015 and the DFD in Zagreb in April 2015. There is a higher media coverage within those countries that are directly located at the river shore. Besides its main website<sup>16</sup>, PA10 also runs a website for the UPDR<sup>17</sup> and is active on different social media channels. PA10 has also closely cooperated with the Interact Point Vienna in this regard and will continue this cooperation with the DSP. When it comes to establishing a specific kind of macro-regional path dependency, in addition to a better use of existing legislation, funding, and institutions, it will be crucial to reach out to (potential) stakeholders and motivated multipliers.



EUSDR media coverage in 9 Danube Region countries, June 2014-May 2015, press review by CompressPR, number of EUSDR mentioned in the media (print & online)

## 2.9. Lessons learned, positive or negative

The overall assessment is that participation in EUSDR related events is satisfying and that there is still a growing interest and need for information among stakeholders. It remains challenging to implement a Strategy without institutions, funding, and legislation and to communicate that there is nevertheless an added value.

<sup>16</sup> [www.danube-capacitycooperation.eu](http://www.danube-capacitycooperation.eu)

<sup>17</sup> [www.updr.eu](http://www.updr.eu)

## 2.10. Next steps and challenges

PA10 intends to spread more information about the EUSDR in general and in cooperation with the DSP. It also intends to provide more information on social media in order to activate the stakeholder of its platforms. It will be crucial in upcoming years and months to communicate the Strategy through strategic and concrete projects and at the same time to inform the wider public and keep the macro-regional concept high on the political agenda, i.a. through the identification of macro-regional “market niches”. These fields for macro-regional action require an in-depth knowledge of a market that is not very transparent.

## 3. FUNDING

PA10 is building a Danube Financing Platform, which is one of the main elements of its new structure (see chapter 1.2.5).

In the PAC10 questionnaire, the Steering Group was asked to identify the main funding sources for future projects in the Danube Region. For most of the SG Members, the EUSDR is connected to the ESIF, especially the ERDF. The table below gives a systematic overview how the thematic objective 11 “better public administration” (TO11), which corresponds to a wide extent to the thematic scope of PA10, was considered in the mainstream Operational Programmes of the 9 EU Member States of the Danube Region:

State	TO11 considered	Fund	Programme	Total Budget	Solely TO11
AT	-				
BG	+	ESF	Good Governance	336 Mio	Yes
		ESF	Human Ressources Development	1,1 Bio	No
CZ	+	ERDF	Integrated Regional Operational Programme (IROP)	5,4 Bio	No
		ESF YEI	Employment	2,6 Bio	No
DE	-				
HR	+	ESF YEI	Efficient Human Ressources	1,8 Bio	No
HU	+	ERDF ESF	Central Hungary	927 Mio	No
RO	+	ESF	Administrative Capacity	658 Mio	Yes
SI	+	ERDF ESF CF YEI	Implementation of the EU Cohesion Policy	3,8 Bio	No
SK	+	ESF	Effective Public Administration	335 Mio	Yes

The OPs which focus specifically on TO11 in Romania, Bulgaria, and the Slovak Republic are crucial for upcoming projects in the thematic fields of PA10, also because of the weak ESIF absorption in these countries. TO11 was also considered in most of the programmes of the European Territorial cooperation, both on the transnational level (OPs Danube Transnational, Alpine Space) and the cross-border level (many of the INTERREG-V-A programmes in the Danube Region). Moreover, the ESPON programme, which also focuses on macro-regional strategies, has also

considered TO11. Specific ERDF Technical Assistance OPs for a smooth implementation of ESIF exist in Romania and in Slovakia and under the Cohesion Fund in the Czech Republic.

Nevertheless, the experience of the START pilot project shows that there is a market of clients/project promoters for whom there are considerable burdens in the implementation of EU-funded projects, such as lack of capacities, co-financing, etc. This is of particular relevance when it comes to strengthening the civil society/an independent NGO sector in the Danube Region.

PAC10 is currently assessing new funding options for innovative action in the Danube Region and there are on-going discussions with various institutions. E.g. PAC10 has asked DG Regio to identify synergies between the EUSDR and on-going initiatives related to an improvement of administrative capacities for better spending started in late 2014.<sup>18</sup>

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<sup>18</sup> See [http://ec.europa.eu/regional\\_policy/en/policy/how/improving-investment/](http://ec.europa.eu/regional_policy/en/policy/how/improving-investment/)

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- Annex 1 DFD Progress Report*
- Annex 2 TAF-DRP Progress Report*
- Annex 3 START Progress Report*
- Annex 4 START II Progress Report*
- Annex 5 EuroAccess Progress Report*
- Annex 6 CoDCR/UPDR Statement to EU Urban Agenda consultation*
- Annex 7 PA10 Strategy Paper “Building a Modern Danube Region”*
- Annex 8 Eisenstadt Declaration on Participation in the EUSDR*
- Annex 9 2<sup>nd</sup> Stakeholder Conference of the UPDR, Conference report*
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- Annex 12 7<sup>th</sup> Meeting of the Steering Group, minutes*
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- Annex 17 PAC10 Questionnaire*
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