



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

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

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

**Reported period: from 07/2016 to 12/2016**

**(FINAL VERSION)**

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## LIST OF ABBREVIATIONS

<b>CBC</b>	<b>CROSS-BORDER-COOPERATION (INTERREG A)</b>
<b>CEF</b>	<b>CENTRE OF EXCELLENCE IN FINANCE</b>
<b>CEI</b>	<b>CENTRAL EUROPEAN INITIATIVE</b>
<b>CEP</b>	<b>CENTER FOR EUROPEAN PERSPECTIVE</b>
<b>CESCI</b>	<b>CENTRAL EUROPEAN SERVICE FOR CROSS-BORDER INITIATIVE</b>
<b>CoR</b>	<b>COMMITTEE OF THE REGIONS</b>
<b>DFD</b>	<b>DANUBE FINANCING DIALOGUE</b>
<b>DG</b>	<b>DIRECTORATE-GENERAL (OF THE EUROPEAN COMMISSION)</b>
<b>DG EMPL</b>	<b>DIRECTORATE-GENERAL FOR EMPLOYMENT, SOCIAL AFFAIRS AND INCLUSION</b>
<b>DG NEAR</b>	<b>DIRECTORATE-GENERAL FOR NEIGHBOURHOOD AND ENLARGEMENT NEGOTIATIONS</b>
<b>DG REGIO</b>	<b>DIRECTORATE-GENERAL FOR REGIONAL AND URBAN POLICY</b>
<b>DIF</b>	<b>DANUBE INVESTMENT FACILITY</b>
<b>D-LAP</b>	<b>DANUBE LOCAL ACTORS PLATFORM</b>
<b>DSPF</b>	<b>DANUBE STRATEGIC PROJECT FUND</b>
<b>DTP</b>	<b>DANUBE TRANSNATIONAL PROGRAMME</b>
<b>EC</b>	<b>EUROPEAN COMMISSION</b>
<b>EESC</b>	<b>EUROPEAN ECONOMIC AND SOCIAL COMMITTEE</b>
<b>EP</b>	<b>EUROPEAN PARLIAMENT</b>
<b>ERDF</b>	<b>EUROPEAN REGIONAL DEVELOPMENT FUND</b>
<b>ESF</b>	<b>EUROPEAN SOCIAL FUND</b>
<b>ESIF</b>	<b>EUROPEAN STRUCTURAL AND INVESTMENT FUNDS</b>
<b>ETC/ERDF ETC</b>	<b>EUROPEAN TERRITORIAL COOPERATION</b>
<b>EU</b>	<b>EUROPEAN UNION</b>
<b>EUSAIR</b>	<b>EU STRATEGY FOR THE ADRIATIC AND IONIAN REGION</b>
<b>EUSBSR</b>	<b>EU STRATEGY FOR THE BALTIC SEA REGION</b>
<b>EUSDR</b>	<b>EU STRATEGY FOR THE DANUBE REGION</b>
<b>FRA</b>	<b>EUROPEAN UNION AGENCY FOR FUNDAMENTAL RIGHTS</b>
<b>NGO</b>	<b>NON-GOVERNMENTAL ORGANISATION</b>
<b>NPO</b>	<b>NON-PROFIT ORGANISATION</b>
<b>PA</b>	<b>PRIORITY AREA</b>
<b>PAC</b>	<b>PRIORITY AREA COORDINATOR</b>
<b>RCC</b>	<b>REGIONAL COOPERATION COUNCIL</b>
<b>SEE</b>	<b>SOUTH-EAST EUROPE</b>

<b>SG</b>	<b>STEERING GROUP</b>
<b>TAF-DRP</b>	<b>TECHNICAL ASSISTANCE FACILITY FOR DANUBE REGION PROJECTS</b>
<b>TFEU</b>	<b>TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION</b>
<b>UPDR</b>	<b>URBAN PLATFORM DANUBE REGION</b>

## 1 EXECUTIVE SUMMARY

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

*Priority Area 10 “Stepping up Institutional Capacity and Cooperation” (PA 10) of the EU Strategy for the Danube Region (EUSDR) deals with specific challenges in the areas of institutional performance, efficient spending, involvement of civil society in public governance as well as local development and fosters cooperation among the 14 countries of the Danube Region. Addressing these issues is crucial for stable, efficient and accountable public administration and institutional cooperation between public and private stakeholders and are of high relevance for developing regional policy in accordance with EU Neighbourhood and Enlargement Policy. Furthermore, institutional capacities and cooperation are prerequisites for macro-regional cooperation and smart, sustainable and inclusive growth in the Danube Region. The priority area is jointly coordinated by the City of Vienna and the Center of Excellence in Finance in Ljubljana.*

*In order to give further impetus to macro-regional cooperation, PA 10 (City of Vienna) continued the implementation of the Danube Investment Facility (DIF). Within this framework PA 10 developed pilot initiatives for project development in the Danube Region. These initiatives provide support for project promoters in the region and provide valuable insights to develop further suitable solutions in this field. The following pilot initiatives are implemented so far:*

- Technical Assistance Facility for Danube Region Projects (TAF-DRP); Danube Financing Dialogue (DFD); the framework for processing the data in EuroAccess Danube Region was finalised in the current period.*
- START was continued in the current period.*
- Danube Strategic Project Fund (DSPF) was started in the current period.*

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

*During the reporting period, PA 10 continued its endeavours to tackle bottlenecks for EU funding, linking regional development with EU Neighbourhood and Enlargement Policy, and to foster cooperation between stakeholders in the Danube Region and beyond through setting up and implementing the Danube Strategic Project Fund (DSPF).*

*PA 10 also focused on continuing the support for the involvement of civil society in public governance: The 3<sup>rd</sup> Participation Day was organised back-to-back with the 5<sup>th</sup> EUSDR Annual Forum in Bratislava (SK) in cooperation with the Danube Civil Society Forum and the Council of Danube Cities and Regions in November 2016. Over 140 participants from public administration, civil society organisations and academia exchanged on cooperation. Additionally, PA 10 started a cooperation with the EU Strategy for the Baltic Sea Region (EUSBSR), representatives of civil society and INTERACT in order to draft a policy paper on Civil Society in order to strengthen participative governance in the macro-regional strategies. Furthermore, three national Participation Days (national hearings) with civil society organisations and public administration were organised in Austria, the Republic of Moldova and the Slovak Republic in the second half of 2016.*

*Within the field of local and regional capacity-building, PA 10 organised a workshop on cadastre and land register for the 14 countries of the Danube Region. The relevance of this topic lies in its manifold contribution to local, regional and national public management (e.g.: transparent taxation, fighting corruption, property rights, efficient public services etc.). PA 10-CEF organised the 11th Steering Group (SG) meeting with representatives of the Danube Region in Bucharest, Romania. The Ministry of Public Administration and Regional Development hosted the meeting. At the SG Meeting the Operational Programm for Administrative Capacities in Romania was presented, the DTP Seed Money Facility and the workplan of Pa 10 was discussed. Furthermore, the new PA 10 Co-PAC – the Centre for European Perspective was introduced.*

*In the period between July and December 2016, the cooperation with organisations such as the Central*

European Initiative, the Regional Cooperation Council or the Council of Europe were further continued and strengthened.

## **2 PROGRESS OF THE PA**

### **2.1 PROGRESS ON POLICY LEVEL**

#### **2.1.1 POLICY AREAS AT FOCUS**

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

*The main policy areas of PA10 are:*

- *Economic, social and territorial cohesion (TFEU art. 4): Target 4, 2, 3*
- *Administrative cooperation (TFEU art. 6): Target 1*
- *Education, vocational training, youth and sport (TFEU art. 6, with regards to institutional capacity): Target 1*
- *Effective EU Funds absorption (DG REGIO initiative on better implementation of Cohesion Policy): Target 4*

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

- *EU citizenship (civil dialogue, participation): Target 2*
- *Urban development (Urban agenda): Target 3*
- *EU Enlargement and Neighbourhood Policy: Target 1,2*

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

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

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

#### **2.1.2 MAIN POLICY ACHIEVEMENTS**

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

*While all activities and initiatives of PA 10 aim at contributing to economic, social and territorial cohesion, PA 10 set a particular focus on reducing bottlenecks of funding and strengthening cooperation between stakeholders. Against this background, PA 10 promoted the dissemination of information on funding for the Danube Region (EuroAccess Danube Region) and set incentives for cooperation (DSPF) after the successful finalisation of the small-scale funding facility START. These initiatives are not limited to the contribution to EU Cohesion Policy but seek to reconcile regional policy with EU Enlargement and Neighbourhood Policy in order to facilitate joint regional development.*

*PA 10 also increased its cooperation with the Managing Authorities of the European Social Fund (ESF) in the Danube Region together with PA 9 "People and Skills" and the DSP in order to foster mutual exchange and identify links between the targets of the EUSDR and funding priorities of the ESF.*

*Building upon the findings of the stakeholder conference on Public Governance as the Foundation of European Integration in June 2016, another stakeholder event of the Danube Governance Hub was organised in cooperation with PA 10 during the reporting period. The Danube Governance Hub Forum*

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

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

*addressed the issue of improving quality and efficiency of local public administration in the Danube Region and the Western Balkans and gathered representatives of local and regional public administration and regional organisations. Furthermore, PA 10 initiated a stakeholder event on the topic of cadastre and land register as foundation for transparent taxation and property rights, fighting corruption, and providing public services related to open data. Representatives from spatial planning and local and national legal departments took stock of existing structures and procedures and exchanged on challenges as well as on opportunities for cooperation across borders.*

*In the field of EU citizenship and multi-level governance, PA 10 successfully continued its contribution to the involvement of civil society in public governance. PA 10, in line with the Action plan of the EUSDR, has continued its cooperation with the EESC and has continuously drawn the attention on the importance of involving NPOs and NGOs, as well as associations and social partners. The "participative governance" approach was highlighted at the third EUSDR Participation Day in Bratislava (SK) which was held back-to-back with the EUSDR Annual Forum in November 2016. The Participation Day established itself as a platform for exchange on good-practice and opportunities for cooperation between public and private stakeholders in the Danube Region. During the reporting period, PA 10 was also able to further progress on initiating platforms for participative governance at national and regional level. Additionally, PA 10 participated in the drafting group of the policy paper on Civil Society in close cooperation with representatives from the EU Strategy for the Baltic Sea Region, civil society organisations and INTERACT aiming at strengthening the modes of cooperation between public and private stakeholders in the macro-regions.*

*In the field of capacity development PA10 organized the last learning event to raise capacities to maximize the value of IPA Funds Management. The workshop on Auditing IPA Funds focused on the practical experience case studies and examples rather than theory; participants gathered practical experience regarding the audit of IPA projects.*

*During the reporting period, PA 10 continued to support the development of urban projects in order to enhance local and regional ownership. Against this background, PA 10 highlighted the challenge of the current refugee crisis by providing policy guidance on dealing with phenomena related to migration (e.g. trafficking in human beings) for cities and municipalities in the Danube Region. PA 10 also continued providing regular information on funding for urban projects as well as consultancy for project development for local stakeholders.*

### **2.1.3 POLICY LESSONS LEARNED**

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

*The communication and justification of the added-value of the EUSDR to stakeholders proves to be still a major issues for PACs. The distinction between the EUSDR as strategic framework and the Danube Transnational Programme still needs to be strongly communicated. Additionally, more clarification is required on the EUSDR as a framework to facilitate the alignment of different activities in thematic fields in the Danube Region and to promote capitalisation and peer-learning for both, project promoters and Managing Authorities..*

*The EUSDR has great potential to better coordinate EU Cohesion Policy and EU Enlargement and Neighbourhood Policy. In this regard, the PAs provide a useful platform to link different networks and initiatives and thus support policy coordination. This potential needs to be further realised.*

*In order to increase the implementation of EUSDR projects and to enhance strategic project development, better alignment of funds is crucial. Also, macro-regional strategies need to be better embedded in line DGs in order to gain additional support for strategy implementation and to raise awareness on opportunities for cooperation. At the same time, funding schemes should match with the requirements of important*

*implementing bodies such as small and medium-sized cities and civil society. These bodies are crucial for the ownership of the EUSDR and tangibility of regional development. Drawing from the experiences from PA 10's Danube Investment Facilities, these stakeholders are willing to develop and implement initiatives, yet they often lack the financial and personnel resources to cope with the mainstream funding instruments of EU Cohesion Policy.*

*Furthermore, the different access to funding between EU members and non-EU members are challenging for intensifying macro-regional cooperation.*

#### **2.1.4 FUTURE POLICY DEVELOPMENT**

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

*PA 10 will further explore potential interfaces between EUSDR and development cooperation on the Western Balkans as well as follow-ups of the Danube Financing Dialogue and seed money facilities.*

*As it turned out that there is a need for stock-taking and better coordination of different funding opportunities in the region, PA 10 plans to develop a framework for donors that are active in the Danube Region.*

*PA 10 will further continue and extend the cooperation with relevant organisations in the region to gather important input and expertise and to facilitate policy coordination.*

*Concrete policy guidance on the better involvement of civil society in public governance will be elaborated in cooperation with the EUSBSR. The policy paper on Civil Society will serve as basis for developing suitable structures of participative governance.*

*Local actors will be further mobilised to engage in the EUSDR in order to bring the strategy on the ground. For this purpose, PA 10 plans to elaborate policy guidance on sound public management and cooperation in functional metropolitan areas together with its stakeholders.*

*Establishing regular exchange between the EUSDR and ESIF Managing Authority contributes to better understand the programmes' requirements for supporting strategic projects of the EUSDR. In return, this may also contribute to raise awareness of the opportunities for cooperation between MRS and ESIF in view of the up-coming funding period.*

*At EU level, it would be beneficial to involve further relevant DGs such as DG NEAR, DG EMPL for the topics of enlargement/neighbourhood and institutional capacity.*

## 2.2 PROGRESS ON PA'S TARGETS

Table 1: Progress on targets during the reporting period

PA Targets (number and wording of the target)	Progress during the reporting period				Clarifications
	Completed	Satisfactory progress	Delayed progress	Other	
(a)	(b)	(c)	(d)	(e)	(f)
1) Improve World Bank governance indicators related to government effectiveness, regulatory quality and control of corruption in comparison to 2011	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>While majority of Danube region countries' government effectiveness index increased, a slight decrease was noted in Austria, Bulgaria and Slovenia. In terms of regulatory quality, the results are not optimistic, as indices for 7 countries (6 of them EU member states) decreased. Progress on control of corruption was also partial, as 7 countries' indices reduced (BG, CZ, HU, MD, RO, SK, UA) in comparison to 2011.</p> <p>(Please note that the latest available data were used, i. e. for 2014. Source: <a href="http://info.worldbank.org/governance/wgi/index.aspx#home">http://info.worldbank.org/governance/wgi/index.aspx#home</a>)</p>
2) 80 % of participating countries involve the national, regional and local authorities and CSOs through annual National (provincial) EUSDR Hearings in cooperation with the National Coordinators of the EUSDR	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The established Danube Civil Society Forum supports the implementation of national Participation Days (national Hearings) throughout the Danube Region.</p> <p>So far, National Hearings were held in Austria (2x), Bulgaria, Germany, Republic of Moldova, Serbia, Slovakia and Ukraine.</p>
The UPDR helps to generate, through the exchange of information and the support, on all levels of cooperation, for 25% of UPDR Member organisations at least one Urban Danube Project, furthering the aim of better spending	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>While the involvement of cities would be very beneficial for the future implementation of the Strategy, their commitment has so far been rather limited. PA10 aims at enhancing the participation of cities i.a. through the identification of responsible stakeholders in the cities' administrations. At the same time, PA10 seeks to activate project development in cities by providing strategic guidance on policies and defining the needs for cooperation (e.g. Cadastre and Land Register, Fight against Trafficking in Human Beings) PA 10 closely cooperates with the ARGE Donauländer and the</p>

PA Targets (number and wording of the target)	Progress during the reporting period				Clarifications
	Completed	Satisfactory progress	Delayed progress	Other	
(a)	(b)	(c)	(d)	(e)	(f)
					CoDCR within the Steering Group as well as on the Danube Local Actors Platform. However, budgetary restrictions and existing funding frameworks prove to be challenging for project development and implementation at local level.
4) Increase the average absorption rate of EU funds in the Danube Region in comparison to 2007-2013 period	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The progress of this target cannot be evaluated yet as the spending related to 2014-2020 only just started.

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

*The targets are realistic and contribute to the overall implementation of PA 10. Establishing the principle of multi-level governance positively contributes to both, transparent and accountable policy-making and to the quality of projects for regional development. In this regard, it is essential that the EUSDR involves civil society as well as cities and municipalities in the Danube Region in order to bring the strategy on the ground.*

*Although actions related to target 4 such as the implementation of the Danube Investment Facility (DIF) are satisfactorily progressing, the progress of the target can only be evaluated at a later stage, as a large amount of programmes were just set-up. However, the implementation of the DIF pilot initiatives already provided capacity-building for project promoters in the Danube Region as well as created valuable findings for the set-up of funding instruments for the upcoming funding period.*

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

*The communication of the EUSDR in general, and the work and scope of the Priority Areas in particular, still turns out to be a challenge that has to be tackled in order to proceed with the actual implementation of the PA's targets and actions.*

*It also remains a challenge to involve stakeholders from the cities and municipalities of the Danube Region and institutions responsible for public administration/institutional capacity-development. In particular, local actors – although signalling willingness to engage - often face challenges in regard to financial and personnel resources. But due to the essential role of cities and other local actors as implementers of the strategy, their involvement and mobilisation is crucial.*

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

*The targets upon which the Steering Group (SG) of Priority Area 10 agreed at its 8th SG meeting in Ljubljana on 12 June 2015 are still valid and were again confirmed at the 10th meeting in Sarajevo on 14-15 April 2016. Therefore, PA 10 has currently no plans or needs for revising the list of targets.*

## 2.3 PROGRESS ON PA'S ACTIONS

Table 2: Progress on actions during the reporting period

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

Legend:

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

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

*Due to their “cross-sectoral”, “soft” and “qualitative” character, actions of PA 10 can be assessed only in a limited way, as they are hardly quantifiable. Also, the actual impact of actions may be observed rather on a mid- and/or long-term basis.*

*With regard to information flow (action 4), Flash Eurobarometer 423<sup>2</sup> carried out in June 2015 indicates that the knowledge about the EUSDR among the citizens in the EU member states of the Danube Region remains rather limited, especially among young people and in Croatia, Hungary, and Romania. Therefore actions that focus on young people shall be privileged when sustaining the information flow among actors, also in view of the future of the Strategy, new instruments, programmes and projects.*

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

*For Action 1, a closer cooperation with the national levels and institutions in charge of public administration is still required. Cooperation with governments’ human resources departments and public administration academies has been partly established, but close cooperation is a challenge as these institutions typically do not have an extensive track record in international collaboration. Therefore, it would be beneficial for PA10 to establish closer cooperation with educational institutions for the (continuing) education of civil servants as well as with relevant managing authorities of the Operational Programmes (OP) implementing Thematic Objective 11 (“Enhancing institutional capacity of public authorities and stakeholders and efficient public administration”) in the Danube Region.*

*Moreover, as mentioned in the report submitted to the Commission in 2015, cooperation with the task force for better implementation (DG REGIO) could be envisaged (potentially in cooperation with the EUSAIR).*

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

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

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

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

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

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<sup>2</sup> See [http://ec.europa.eu/regional\\_policy/sources/docoffic/official/reports/eurobarometer/423/citizen\\_awareness\\_report\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docoffic/official/reports/eurobarometer/423/citizen_awareness_report_en.pdf) ; page 80-82.

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

## 2.4 PROGRESS ON MILESTONES

Table 3: Progress on milestones during the reporting period

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

### Legend:

MSP	milestones that are satisfactory progressing (according to what was initially planned in the Roadmap);
MPD	milestones that are progressing with delays (comparing to what was initially planned in the Roadmap);
MCcp	milestones completed in current reporting period;
MCpp	milestones completed in previous reporting period(s);
MNS	milestones, whose implementation has not started yet;

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

N/A

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

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

*N/A*

*See above.*

## 2.5 PROGRESS ON ACTIVITIES

Table 4 Activities undertaken to progress on PA implementation

<i>PA Actions (numbers)</i>	<i>Activities undertaken during the reporting period to progress on PA implementation</i>
<i>(a)</i>	<i>(b)</i>
<p>A1</p> <p><i>To combat institutional capacity and public service related problems in the Danube region</i></p>	<ul style="list-style-type: none"> <li>▪ <i>Workshop Local Business Support Actors Danube Region, Baden, October 2016</i></li> <li>▪ <i>Workshop on Cadastre and Land Register in the Danube Region, Vienna, October 2016</i></li> <li>▪ <i>Danube Governance Hub Forum, Vienna, December 2016</i></li> <li>▪ <i>Audit of IPA Funds, Ljubljana, November 2016</i></li> <li>▪ <i>5<sup>th</sup> Annual Forum, Bratislava, November 2016</i></li> </ul>
<p>A2</p> <p><i>To improve the trust of citizens and stakeholders in political authorities</i></p>	<ul style="list-style-type: none"> <li>▪ <i>2<sup>nd</sup> EUSDR National Hearing AT (“Dialogforum”), Tulln, September 2016</i></li> <li>▪ <i>EUSDR National Hearing MD, Chisinau, September 2016</i></li> <li>▪ <i>3<sup>rd</sup> EUSDR Participation Day, Bratislava, November 2016</i></li> <li>▪ <i>EUSDR National Hearing SK, Bratislava, November 2016</i></li> <li>▪ <i>11<sup>th</sup> Steering group meeting, Bucharest, Romania</i></li> </ul>
<p>A3</p> <p><i>To establish a Danube Civil Society Forum</i></p>	<ul style="list-style-type: none"> <li>▪ <i>3<sup>rd</sup> EUSDR Participation Day, Bratislava, November 2016</i></li> <li>▪ <i>Meeting of the Danube Local Actors Platform (D-LAP), Bratislava, November 2016</i></li> <li>▪ <i>Preparatory Meeting for the 4<sup>th</sup> EUSDR Participation Day, Budapest, December 2016</i></li> </ul>
<p>A4</p> <p><i>To ensure sufficient information flow and exchange at all levels</i></p>	<ul style="list-style-type: none"> <li>▪ <i>EUSBSR Meeting on strategic capacity-building, Stockholm, November 2016</i></li> <li>▪ <i>CoR Conference, Bratislava, July 2016</i></li> <li>▪ <i>Workshop on Cadastre and Land Register in the Danube Region, Vienna, October 2016</i></li> <li>▪ <i>Drafting of the Background report on framework conditions and institutional landscape - Towards a EUSDR City Network against Trafficking in Human Beings, November 2016</i></li> <li>▪ <i>Meeting EuroCities Roma Task Force, Gothenburg, November 2016</i></li> <li>▪ <i>CESCI Conference on Eastern Partnership, Kosice, October 2016</i></li> <li>▪ <i>EUSDR Annual Forum, Bratislava, November 2016</i></li> <li>▪ <i>ESPON Seminar, Bratislava, December 2016</i></li> <li>▪ <i>11<sup>th</sup> Steering group meeting, Bucharest, Romania, November 2016</i></li> </ul>
<p>A5</p> <p><i>To facilitate the administrative cooperation of communities living in border regions</i></p>	<ul style="list-style-type: none"> <li>▪ <i>Workshop on Cadastre and Land Register in the Danube Region, Vienna, October 2016</i></li> <li>▪ <i>Drafting of the Background report on framework conditions and institutional landscape - Towards a EUSDR City Network against Trafficking in Human Beings, November 2016</i></li> </ul>
<p>A6</p> <p><i>To review bottlenecks relating to the low</i></p>	<ul style="list-style-type: none"> <li>▪ <i>ESF Danube Region Workshop, Munich, July 2016</i></li> <li>▪ <i>Meeting on DTP Seed Money Facility, Budapest, September 2016</i></li> </ul>

<i>PA Actions (numbers)</i>	<i>Activities undertaken during the reporting period to progress on PA implementation</i>
<i>(a)</i>	<i>(b)</i>
<i>absorption rate of EU funds and to ensure better coordination of funding</i>	<ul style="list-style-type: none"> <li>▪ <i>Meeting of the Advisory Board of the Danube Strategic Project Fund (DSPF), Budapest, September 2016</i></li> <li>▪ <i>START Final Event/Launch EuroAccess Danube Region, Vienna, December 2016</i></li> <li>▪ <i>Meeting with ESF RO, Bucharest, November 2016</i></li> <li>▪ <i>Workshop Audit of IPA Funds, Ljubljana, November 2016</i></li> </ul>
<p style="text-align: center;"><i>A7</i></p> <p><i>To support the development of local financial products for business and community development</i></p>	<ul style="list-style-type: none"> <li>▪ <i>See Progress Report on DFD</i></li> <li>▪ <i>European Economic Forum "Smart Cities", Götting, October 2016</i></li> </ul>
<p style="text-align: center;"><i>A8</i></p> <p><i>To examine the feasibility of a Danube Investment Framework</i></p>	<ul style="list-style-type: none"> <li>▪ <i>See Progress Report on DFD</i></li> <li>▪ <i>Danube Macro Region Business Day 2016, Vienna, September 2016</i></li> <li>▪ <i>START Final Event/Launch EuroAccess Danube Region, Vienna, December 2016</i></li> </ul>

## **2.6 EUSDR STRATEGIC PROJECTS**

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

<i>Title of project proposed by PA as ESDR SP during the reporting period</i>	<i>Date of PA meeting when the project was approved as potential ESDR SP</i>	<i>To which PA target the project is relevant?</i>	<i>Main project activities of the EUSDR SP</i>	<i>Targeted funding source(s) for the SP</i>
<i>(a)</i>	<i>(b)</i>	<i>(c)</i>	<i>(d)</i>	<i>(e)</i>




### 3 FUNDING

#### 3.1 MAIN ACHIEVEMENTS IN TERMS OF FUNDING

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

*The Municipal Council of the City of Vienna (CoV) approved the project “CapaCity” which refers to MRS and provides technical assistance for project development in the Danube Region. Additionally, PA10/City of Vienna implements the Danube Strategic Project Fund co-financed with funds provided to the European Commission by the European Parliament.*

*In the field of ESIF, a number of ERDF ETC programmes (CBC, DTP) and ESF Operational Programmes refer to PA10. This is the case e.g. in the ESF programmes dealing with institutional capacity/enhanced public administration in Bulgaria, Hungary, Romania, and the Slovak Republic.*

*Furthermore, there are currently two strategic projects approved in the course of the first call of project proposals in the Interreg Danube Transnational Programme (DTP).*

#### 3.2 LESSONS LEARNED

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

*It remains challenging to convince stakeholders that the Strategy is more than a programme; many stakeholders are not aware of the differences between the DTP and the EUSDR.*

*In regard to the DTP, so far two out of three submitted strategic projects will be funded. Within the first call for project proposals there was a high interest for funding under the priority 4 “Well-governed Danube Region” resulting in the submission and approval of a high number of projects dealing with institutional capacity-building. Thus, unfortunately the budget for the priority was exhausted and projects under priority 4 will not be funded during the second call for project proposal. In this regard, alternative options (CBC programmes, thematic funding at EU level) should be strongly considered.*

#### 3.3 THE FUTURE

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

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

*Drawing upon the experiences with the Danube Financing Dialogue (DFD), there is a need for an enhanced and targeted communication in the business sector. In particular, local and regional events and/or thematic clusters should be considered for a follow-up of the DFD.*

*Furthermore, the START initiative clearly showed a need for small-scale funding, especially for small and medium-sized cities and civil society organisations, which are important target groups for regional development and the implementation of the strategy. Another lesson learned from START is the need for funding mechanisms with simplified implementation structures for project promoters.*

*Although, some ESIF programmes (e.g. ESF, ERDF-ETC) support institutional capacity-building, there is still a need for better aligning the programmes’ objectives to the targets of the EUSDR for both increasing*

*the amount of strategically relevant projects and supporting the match-making between ESIF and reliable project partners/strategic projects (especially where absorption rates need to be further increased). Additionally, a mutual exchange between the strategy and ESIF would be beneficial in order to better support project development that matches programme requirements.*

## 4 GOVERNANCE

### 4.1 ORGANISATION AND FUNCTIONING OF PA

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

*During the reporting period, PA 10 organised one Steering Group meeting in Bucharest on the 15 November 2016. Six countries of the EUSDR were represented at the meeting, therefore a quorum could not be reached. Any proposals introduced during the meeting were endorsed by means of a written procedure. There are issues regarding the continuity of SG member in RS.*

*PAC 10-Center of Excellence in Finance (CEF) announced to resign from its function with the end of 2016. The function is handed over to the Center for European Perspective (CEP) which will continue the cooperation with the City of Vienna (CoV) from 2017 onwards. The new Co-PAC was introduced at the SG meeting in November 2016.*

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

Table 7: Attendance of SG meetings

SG meeting	AT	BA	BG	CZ	DE	HR	HU	MD	ME	RO	RS	SI	SK	UA
11	+	-	-	+	+	-	+	-	-	+	-	+	-	-
	EC	DSP	EESC	DTP	RCC	CEI	DCSF	CoDCR						
	+	+	-	+	+	-	+	-						

### 4.2 COORDINATION AND COOPERATION ACTIVITIES

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

*Due to its horizontal nature, PA 10 cooperated with many other PAs:*

*Within the framework of the Danube Investment Facility (TAF-DRP, DFD, START, EuroAccess Danube Region, DSPF), PA 10 involves all Priority Area in the implementation and support of activities. During the reporting period, PA 10 presented the EuroAccess database to EUSDR stakeholders from all priority areas. For the Danube Strategic Project Fund (DSPF) all Priority Area Coordinators and Steering Group members are involved in the application procedure to support projects that are strategically relevant for each PA.*

*PA 10 also regularly cooperates with all other PAs in regard to the involvement of regions and cities as well as civil society in the EUSDR. PACs as well as SG members from other PAs are represented at the EUSDR Participation Day.*

*In particular, PA 10 also cooperated with PA 9 in the field of Roma Inclusion and developed projects addressing institutional capacity-building for the integration of Roma in local labour markets and improve vocational training in municipalities. Another area of cooperation with PA 9 is the alignment of ESF OPs with the targets of the EUSDR and supporting transnational cooperation.*

*PA10 is in an on-going exchange with PA8 when it comes to developing new financial tools and follow-ups of the pilot projects, which should be based upon the socio-economic study carried out by PA8. PA 10 also*

*exchanged on opportunities for institutional capacity-building in the economic sector with PA 8 within the Local Business Actors Workshop.*

*Question 22: Based on what has been reported in Section 2.5, please provide short description on what has been achieved with the undertaken activities for coordination, cooperation and establishing links with EU institutions (EC, EP, CoR, EESC, etc.) and/or other institutions (national, regional, international, as appropriate). Same applies also for activities for using the funding opportunities of the EC centrally managed programmes. Please describe also any methods/tools that are put in place as a result (if applicable).*

*EC: PA10 is in constant exchange with DG Regio. Synergies in the field of institutional capacity might be sought as well with DG NEAR and DG Empl in relation to Thematic Objective 11 (“Enhancing institutional capacity of public authorities and stakeholders and efficient public administration”) mainstream programmes or comparable elements in IPA and ENI programmes.*

*EP: The positive experiences of PA10 in the involvement of local actors and civil society were mentioned in a study issued by the EP in 2015.<sup>3</sup> It would be beneficial to involve the REGI Committee of the EP in the future of MRS implementation.*

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

*CoR: PA 10 participated in a CoR conference in July in the framework of the SK presidency in Bratislava.*

*FRA: In the field of Human Trafficking, PA10 has initiated a cooperation mechanism with the Fundamental Rights Agency (FRA) and PA11. PA 10 developed together with the FRA a workshop on THB addressing the fundamental rights of victims of trafficking in human beings. PA 11 participated in a workshop providing further input concerning the security perspective on the topic.*

*Council of Europe: The Council of Europe is involved in the implementation of the DSPF in an advisory function and participated in the Danube Governance Hub Forum. The cooperation between PA 10 and the Council of Europe will be further established through the Danube Local Actors Platform.*

*RCC: Apart from the participation of the RCC in the Steering Group Meetings of PA 10 and a regular exchange, the RCC is also involved in the implementation of the DSPF in an advisory function.*

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

*DTP: PA 10 organised an event with DTP 4.1 for lead partners of strategic projects of PA 10 and PA 9 in order to ensure the quality of project proposals. In regard to the planned Seed Money Facility (SMF) of the DTP, PA 10 shared its findings from the implementation of START and provided inputs (together with the other PAs) for the targeted support to strategically relevant projects.*

*ESF RO: The Managing Authority of the Operational Programme for Administrative Capacities (OPAC) was invited to the 11<sup>th</sup> Steering Group Meeting in order to present its objectives and support for activities in the area of institutional capacity-building to the Steering Group.*

*ESF Danube Region: PA 10 participated in the 3<sup>rd</sup> Meeting of the ESF Managing Authorities in the Danube Region and identified overlaps between the Operational Programmes and the EUSDR’s targets as well as interfaces for cooperation such as supporting transnational cooperation.*

*In addition to the ESIF programmes, other programmes such as HORIZON2020, Erasmus+, Europe for Citizens, EuropeAid etc. might be relevant and should be taken in closer consideration. This requires the*

<sup>3</sup> [http://www.balticsea-region.eu/attachments/article/590691/IPOL\\_STU\(2015\)540349\\_EN.pdf](http://www.balticsea-region.eu/attachments/article/590691/IPOL_STU(2015)540349_EN.pdf)

*stronger involvement of other DGs.*

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

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

*The involvement of civil society is one of the key objectives of PA 10. Apart from the regular involvement of civil society through PA 10's Danube Local Actors Platform and the Participation Days, PA 10 advocates the better involvement of civil society in the EUSDR in general and in project development/implementation as well as in decision-making in particular. Therefore, PA 10 also participated in the drafting group of the policy paper on Civil Society presenting good practices and methods of civil society involvement in public governance.*

#### **4.4 PUBLICITY AND COMMUNICATION ACTIVITIES**

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

*PA 10 published an up-dated brochure on its activities including outputs of the pilot initiatives of the Danube Investment Framework. The brochure was disseminated to around 8.000 stakeholders in the Danube Region as well as to EUSDR National Coordinators, Steering Group members, embassies and participants of EUSDR related events.*

*The PA 10 website ([www.danube-capacitycooperation.eu/](http://www.danube-capacitycooperation.eu/)) provides up-to-date information on policy development, events, funding, initiatives etc. related to institutional capacities and cooperation. The website was relaunched in the course of summer 2016 under the auspices of the Danube Strategy Point (DSP). The revised web appearance is expected to contribute to the joint communication of the EUSDR and increase the recognition value.*

*PA 10 also used social media ([www.facebook.com/EUSDRPA10/](https://www.facebook.com/EUSDRPA10/)) to keep stakeholders up-dated and disseminate relevant and current information.*

*Furthermore, PA 10 communicated the added-value of the EUSDR and the concrete activities of PA 10 to targeted stakeholders through presentations at conferences and events dealing with institutional capacity-building and cooperation in the Danube Region.*

#### **4.5 LESSONS LEARNED**

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

*It has proved to be beneficial to involve stakeholders from the local and regional level, from civil society as well as regional organisations (e.g. CEI, RCC) into the Steering Group. The valuable inputs and engagement of these groups increases awareness and exchange of information and supports coordination of initiatives. There should be incentives in order to foster pro-active behaviour from the side of the SG members. Electronic tools and strategic projects have proven to be successful in order to sustain the involvement of the SG in the PA's work.*

## 4.6 THE FUTURE

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

*With the 11<sup>th</sup> SG Meeting held in Bucharest, PA 10 took up the approach to specifically focus on the EUSDR countries. This approach seeks to give more emphasis on the different priorities of the SG members and will be continued with the 12<sup>th</sup> SG Meeting at the Representation of Baden-Württemberg in Berlin.*

*Furthermore, as PA 10 addresses good governance, there is a need to further enhance the cooperation between PA 10 and ESIF programmes addressing Thematic Objective 11. The presentation of the Operational Programme for Administrative Capacities in Romania was initiated at the 11<sup>th</sup> SG Meeting and may be considered to be continued with further operational programmes related to TO 11 in the Danube Region.*

*A stronger orientation towards (strategic) projects will provide concrete solutions and innovative approaches to common challenges and brings the strategy to the ground and support the PA's endeavour to mobilise project development in the region. Therefore, PA 10 invites project promoters to the SG Meetings in order to present promising project idea. The presentations shall enhance knowledge on the initiatives in the region and could be used for a further roll-out. Furthermore, project promoters get the chance to exchange directly with the members of the PA 10 Steering Group. Also, SG members have the opportunity to present their projects or projects within their networks. This activity aims at supporting capitalisation on existing initiatives and providing know-how to tackle common challenges. This also enables discussion on challenges in project development and implementation and provides common ground to formulate joint positions such as the position paper for the ongoing discussion on cohesion policy 2020+ that draws upon the experience from the DIF as well as from the SG members' experience with project promoters in the region.*