



PROJECT TITLE:
EU STRATEGY FOR THE DANUBE REGION
IMPLEMENTATION OF PRIORITY AREA N°1B ('TO IMPROVE MOBILITY AND
MULTIMODALITY-ROAD, RAIL AND AIR LINKS')

CCI N° 2011CE160AT088

**SIXTH
PROGRESS REPORT**

Reported period: from 07/14 to 12/14

Summary of the project

The EU Strategy for Danube Region (EUSDR) is implemented by 14 countries of the Danube Region, of which eight countries are EU and six countries are non-EU Member States. The EUSDR is implemented across 11 priority areas. The coordination of Priority Area 1b "To improve mobility and multimodality – rail, road and air links" (PA 1b) is entrusted to the Republic of Serbia and the Republic of Slovenia. On behalf of the Republic of Slovenia the Ministry of Infrastructure and Spatial planning¹ is responsible for coordination of PA 1b and the Ministry nominated Mr. Franc Žepič, Secretary to be Priority Area Coordinator (PAC). On behalf of the Republic of Serbia the Ministry of Transport² took over the coordination and appointed Mr. Miodrag Poledica, State secretary to be Priority Area Coordinator (PAC).

In order to facilitate the initial phase of the EUSDR implementation and work of PAC-s the Grant Agreement for an Action with Multiple Beneficiaries (Agreement no: 2011CE160AT088) between the European Commission – Directorate General for Regional Policy (DG REGIO), Ministry of Infrastructure and Spatial planning of the Republic of Slovenia and Ministry of Transport of the Republic of Serbia was signed on 3rd December 2011³.

Duration of the project: 1st January 2012 – 31st December 2013, extended by the Amendment No.1 to Grant Agreement CCI N° 2011CE160AT088 (signed on 15 March 2014) to 31st December 2014 and by the Amendment No.2 (signed on 17 December 2014) to 31st July 2015.

Activities planned and conducted:

In the second half of 2014 activities continued on all issues related to the PA1b work. Achieved cooperation was maintained and discussion with several new stakeholders started. Good relationships with the EIB, ITS community and several stakeholders of urban mobility continued.

Timetable as agreed in the Grant Agreement		Key activities conducted
Month	Activity according to the project	
July to December	<u>Preparation</u> of activity "Support to the governance structure"	- 9th Steering Group meeting (September, Belgrade); - Initial preparation of the 3rd PA1b stakeholder conference "The Danube Region Transport Days 2014" (August – October) - 3rd Stakeholder Conference "The Danube Region Transport Days: From concepts to projects" (October, Ljubljana) - Regular contacts with Steering Group members (by e-mail or phone),

¹ At the time of signing the agreement the name was Ministry of Transport of the Republic of Slovenia.

² At the time of signing the agreement the name was ministry of Infrastructure and Energy of the Republic of Serbia.

³ Agreement Signed by Slovenia on 21st November, by Serbia on 22nd November and by the Commission on 3rd December 2011

		<ul style="list-style-type: none"> - Participation at several invited events (such as: Symposium on sustainable mobility and green economy in the Danube region-Ulm, Transdanube Final conference – Belgrade, ITS”Bridging Boundaries”-Vienna, Conference”Rail Investment South East Europe 2014”-Belgrade, “Baltic-Adriatic Core Corridor Forum-Brussels. ACROSSEE final conference - Vienna) - day to day coordination and promotion.
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How was the action carried out so far?

The work in the second half of 2014 was concentrated on keeping the SG members active, to monitor projects, to enhance visibility (promotion), to find reliable stakeholders that would lead certain activities in the field of transport modes of PA1b and search for stakeholder ready to take over ownership of individual actions of the Strategy’s Action plan.

In terms of promotion and an effort to involve stakeholders into active participation in implementation process of the Strategy third stakeholder conference “The Danube Region Transport Days 2014: From Concepts to projects“ was organised on 21-22 October 2014 in Ljubljana. The conference was attended by 100 participants from eight countries of the region. High level speakers from the European Commission DG MOVE, the EIB, EBRD and countries of the Region highlighted transport challenges of the Danube region. Possible ways to initiate projects with added value to the region were discussed in several workshops. Similar to 2013 event prevailing contributions were from rail sector.

Nine meetings of the PA1b SG took place until the end of the first half of 2014: 22 June 2011 in Ljubljana, 20 October 2011 in Belgrade, 20 February 2012 in Ljubljana, 14 June 2012 in Belgrade, 18 December 2012 in Belgrade, 24 and 25 April 2013 in Ljubljana, 11-12 December 2013 in Belgrade, 1-2 April 2014 in Ljubljana, while the last ninth one was held on 10 and 11 September 2014 in Belgrade.

PACs continue to make great efforts that all countries of the Region would attend the meetings and would take an active role in decision making. Yet it has to be admitted that absence of several countries is becoming a stumbling block in work of PA1b. (See Table 1)

The Commission (representatives from DG REGIO and DG MOVE) supported the work of the SG and made valuable contributions at the SG meetings when present.

It should be stressed that the Steering Group meetings are held on extremely high level, which enabled profound and constructive discussions and progress step by step from the first to the last meeting. There is a strong cooperation between PACs, both on the operational and management level. In this report period PA1b PAC-s met several times and there is frequent communication on a daily bases by phone and e-mails. In addition, PACs have a very frequent communication directed towards the SG members and other stakeholders interested in PA1b.

During the SG meetings discussions were held around targets, actions, projects and work program. The agreement was reached on need for detailed specification (ToR) for several projects, such as: The Common Transport Vision for the Danube Region, Danube region intermodal Strategy (DRIS) and Western Balkans Multimodal Transport Corridor (WBC). These and other projects - which aim should be to build solid grounds for bringing decisions

on joint transport activities - are to serve all countries in the Danube macro-region. To bring project proposals for funding seed money is needed and four (4) projects have been successfully submitted for TAF-DRP support. Projects selected during second call are: DAirNet (lead Serbia) and DanubeMobility (lead Austria). Consultants selected by Managing Authority (PA10 – City of Vienna) started to work on the two projects in close cooperation with applicants and informing PACs.

Table 1: Participation by countries of Danube region and the EC at SG meetings

	Priority Area 1b STEERING GROUP MEETINGS								
	2011		2012			2013		2014	
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th
AT (7/9)	+	+	+	+	+	+	-	-	+
BG (5/9)	-	+	+	+	+	-	+	-	+
BiH (0/9)	-	-	-	-	-	-	-	-	-
CRO (7/9)	+	-	+	+	-	+	+	+	+
CZ (1/9)	+	-	-	-	-	-	-	-	-
DE (3/9)	+ E	+BW	-	-	-	-	-	+BY	-
HU (9/9)	+	+	+	+	+	+BDCP	+	+	+
MD (0/9)	-	-	-	-	-	-	-	-	-
ME (2/9)	-	-	-	-	-	-	+	+	-
RO (5/9)	-	+	+	+	-	+	-	+	-
SI (9/9)	+	+	+	+	+	+	+	+	+
SK (7/9)	+	+	+	+	-	+	+	+	-
SRB (9/9)	+	+	+	+	+	+	+	+	+
UA (2/8)	-	-	+	+	-	-	-	-	-
Attendance Countries:	8	8	9	9	5	7	7	8	6
DG REGIO (6/9)	+	+	+	-	-	+	+M	-	+
DG MOVE (6/9)	+	+	+	-	+	+	+M	-	-
Note: +E – DE represented by the Embassy +BW – DE represented by Baden Wuerttemberg +BY – DE represented by Bayern +M – Commission represented by the EU Mission in Belgrade, Serbia +BDCP – Budapest Danube Contact Point									

How is the project going to meet the objectives of the budget heading?

Use of budget heading still remains below planned. The reasons are several:

- Slovenia: used around 103 % of pre-financing i.e. 46% of available budget. The main reason for note using more in 2013 is non-availability of technical-supporting staff.
- Serbia: around 100.0% of available budget has been used by the end of December 2014.

On the one hand it should be noted that both, Slovenia and Serbia while spending less available budget than planned met key expected results. Main planned activities in the second half of 2013 (e.g. conference on transport and research, SG meeting, an event related to actions, promotion) were carried out it is obvious that PACs were paid great attention for rational use of available budget.

In addition PACs are aware that planned activities in the last year of contract duration would require significant budget in order not to lose momentum of the Strategy implementation.

Please describe the transnational dimension of the project

Having in mind that EUSDR PA 1b is being implemented by 14 countries (EU and non- EU) and that so far up to nine countries participated at the SG meetings, transnational dimension is well present in this project. Several projects submitted by countries are of great transnational dimension, such as projects on:

- a common transport vision - TRANSDANUVIOS,
- intermodal transport strategy development (DRIS),
- Danube region Air transport development (DAirNet),
- inclusion of a new railway freight corridor connecting EU and non-EU countries (WBC)
- intelligent transport systems,
- etc.

Many infrastructure projects that at first sight look national are in fact of real transnational importance and have great added value for the entire macro-region (such as planned or under construction bridges over the Danube or Sava river).

Many transport projects are initiated, planned and will be developed in the implementation phase of the EUSDR PA1b, emphasizing transnational component, meeting EUSDR criteria and covering or involving all Danube countries. PACs trust that TAF-DRP I and II and “START”, as well as newly established “Danube programme” are to give financing and implementing opportunities for some of the above mentioned and new soft projects.

SG meetings, ad-hoc working groups, bilateral meetings and other kind of team activities represent a solid base for networking among members from different countries. Special focus should be paid to annual stakeholder conferences as transnational networking tools. This is a right place to promote EUSDR and create strong transnational relationships. Also, Common Transport Vision project should be one of key drivers for establishing informal transnational networks. The common vision as a single, shared point of reference for strategies and planning of transport should establish coherent and innovative transport system, ensure accessibility, cohesion and sustainable mobility and introduce co-modality as basis for development.

Building informal transnational structures is essential in establishing mutual trust among all involved parties. Having in mind that implementation is crucial for success of EUSDR PA1b one may conclude that transnational human relations could significantly improve implementation performances of all PA1b projects.

What contribution was made by the partners?

The following partners included in the implementation PA 1b gave important contribution to the work results for PA 1b. The list of partners is not limited to the present ones due to the further development and activities needed.

Priority Area Coordinators (PACs) main activities could be summarized as follows: a) Priority Area 1b coordination, b) project collection and presentation of the list of all projects to the SG, c) PACs prepared methodology for grouping project in order to improve the process of issuing LORs, d) PACs raised the issue on importance of development of the Common Transport Vision for the Danube Region (CTVDR), e) presentation of an overview of the rationale for the CTVDR, f) promotion of PA1b activities and Strategy by active participation on several transport events and e) Web page creation and updating.

SG members: 9 countries actively took part in EUSDR implementation so far. Key contributions are related to projects, in particular supporting projects relevant for the entire Region. Based on PACs short list of projects SG approved 34 projects from six Danube region countries that received Letter of Recommendations.

The European Commission (DG REGIO and EUSDR team, DG MOVE and TENtec team) is regularly supporting and monitoring the process of EUSDR implementation. Of utmost importance is participation of DG REGIO and DG MOVE representatives at the SG meetings. An important contribution from the Commission (DG MOVE, TENtec team) has been creation of the first transport Maps of the Danube region.

South East Europe Transport Observatory (SEETO) – Updating of the Regional Balkan Infrastructure Study (REBIS): The study update will focus on how to improve the original formula and extend it by 2030.

The European Investment Bank (EIB) – Overview of funding possibilities for EUSDR and PA1b projects: The core competencies of EIB include lending (transport, energy and water quality projects in particular), co-financing, and advising (WBIF, JASPERS). Out of 11 EUSDR areas, 8 are eligible for financing. The focus of EIB is long-term financing, with the minimum funding of EUR 12.5 million. The EIB is currently very much engaged in the Danube region and will be for quite some time.

The Budapest Danube Contact Point (BDCCP) – follow up of PA1b activities and expressed readiness to support projects with added value for the macro-region.

CER (The Community of European Railway and Infrastructure Companies) is supporting PA1b work by activities related to rail transport and is an active participant at organized events, e.g. Workshop on Rail Freight Corridors.

RNE (RailNetEurope) is supporting PA1b work by activities related to rail transport and is an active participant at organized events, e.g. Workshop on Rail Freight Corridors.

Faculty of Transport and Traffic Engineering, University of Belgrade – expert facilitation in the process of roadmaps development: FTTE helps in updating a few actions.

Faculty of Organizational Sciences, University of Belgrade – expert facilitation in the process of roadmaps development: FOS contributes with preparing templates for planning and monitoring of projects and developing two database modules based on MS Project and MS Excel software.

Department of Transport Engineering and Transport Safety, University of Maribor – expert support for projects appraisal, preparation and interested in project partnership.

City of Ljubljana (MoL) – is supporting activities related to the urban mobility.

The Regional Development Agency of the Ljubljana Urban Region (RRA LUR) – is supporting activities related to the urban and sub-urban transport.

SURVEY RS – promotion of EUSDR: SURVEY RS put in place web site <http://www.dunavskastrategija.rs> (SRB) which covers all important aspects of EUSDR in Serbia.

National companies responsible for railway, road, and air transport of the PA 1b partners/counties represent the projects proposals in the scope of their activities.

Regional non-governmental organization – promotion and networking in regards to successful implementation of EUSDR.

European Environment Agency (EEA) is interested in EUSDR implementation, especially in The Common Transport Vision for the Danube Region project, providing sound, independent information on the environment, based on source for those involved in developing, adopting, implementing and evaluating environmental policy.

Auto-evaluation so far

Successes:

- governance structure in place but need to be further improved,
- around 150 projects received (all transport modes),
- 34 Letter of Recommendation were issued,
- recognition among key stakeholders, creating mutual trust among all involved parties,
- maps of the Danube region have been created linking transport systems of EU and non-EU Member States,
- Roadmaps for all seven actions prepared to give an overview of planned activities and enable monitoring of progress,
- web site(s) in place,
- eight Steering group meeting were held,
- two annual stakeholder conferences with high level speakers and participants from eight states of the region,

- three workshops/seminars were organized with distinguished participants,
- templates for planning and monitoring projects
- a new project database in place.

Weaknesses:

- low level or complete absence of some SG members' involvement in the process of coordinating and implementing PA 1b remains one of key concerns,
- implementation maturity level of some received projects is low,
- lack of EU funds for Danube region projects set aside within the EU budget is the reason for lower than expected level of stakeholders involvement and motivation,
- budgetary constraints and related saving measures in almost all countries persist to seriously hamper active involvement of several countries of the Region,
- PA1a and PA1b have not met since May 2012 to discuss common transport issues.

Concrete outputs so far

Summary outputs:

- Maps of transport infrastructure in Danube region (rail-freight and passengers, road, airports, inland waterways);
- Received and analyzed over 150 projects;
- Issued 34 Letter of Recommendations (none in the second half of 2013);
- Nine meetings of the SG (one in the second half of 2014);
- three annual stakeholder conferences “Danube Region Transport Days” (2012,2013 and 2014) and the first conference on Transport & Research in the Danube region (2014) were organized;
- Software template for planning and monitoring projects (implemented by MS Project software);
- New project database (implemented by MS Excel software);
- EUSDR PA 1b website is launched and regularly updated.

A large number (150⁴) of projects has been received from ten countries of the Region i.e. Austria, Bulgaria, Croatia, Hungary, Montenegro, Romania, Serbia, Slovakia, Slovenia and Ukraine. All the received projects are grouped in order to estimate the need for support by SG. It is the opinion of SG that all these projects contribute to the improvement of the connectivity and mobility in the Region and hence, wider, in EU.

It is very important to underline a very wide diversity of received projects as: a) they are representing three transport modes (road, rail and air), b) some projects are of very high value while others of relatively low value, c) some projects are soft and many others are infrastructure projects, d) projects are national, cross-border and transnational, e) projects are ongoing, prepared, planned or represent a project idea and e) involvement in projects and support for projects could be seen from many stakeholders.

A total of 34 projects received the official SG Letter of Recommendation (LoR): Romania for 6 projects, Serbia for 2 projects, Slovakia for 7 projects, Croatia for 17 and Ukraine received LoR for 2 projects. It was agreed that projects which did not receive LoR could be revisited at

⁴ Number of projects: 150 projects were received. However several projects are composed of sub-projects so that total number would be over 170.

a later date and LoR could be issued accordingly. No new proposals for LoR were received by PACs in 2014. It becomes obvious that LoR is not recognized by funding institutions, so the countries of the Danube region see no added value in obtaining LoR.

How was the action publicised and how have the results been disseminated so far?

Promotion is carried out mainly by:

- a) Organization of PA1b events, such as stakeholder conferences.
- b) Active participation at the invited events. In the second half of 2013 PACs participated and took active role in several events to promote the Danube strategy and present activities carried out, such as:
 - Symposium on sustainable mobility and green economy in the Danube region-Ulm, Vienna, 4-5 July 2014
 - START practical Workshop for PACs, Vienna, 11 July 2014
 - SMARTRAIL project final conference, Ljubljana, 25 August 2014
 - TRANSDANUBE final conference, Belgrade, 9 September 2014
 - 4th Danube eRegion Conference-DeRC 2014, Ljubljana, 22-23 September 2014
 - ITS Austria conference 2014 “Bridging Boundaries”, Vienna, 25 September 2014
 - ITS Workshop with countries from the Danube region, Vienna, 26 September 2014
 - Conference “Rail Investment South East Europe”, Belgrade, 28 October 2014
 - Programme & prolongation of Contract (danube team, DG REGIO), Brussels, 19 November 2014
 - The Baltic-adriatic Working Group on regions and “Baltic-Adriatic Core Corridor Forum, Brussels, 20 and 21 November 2014
 - ACROSSEE project Final conference, Vienna, 5 December 2014.

Due to heavy burden of daily tasks PACs have to excuse themselves to several other events.

- c) Web site, such as: <http://groupspaces.com/MobilityRail-Road-Air/> and <http://www.dunavskastrategija.rs/> (SRB).

The links with Priority Area 1a, established at the first joint meeting between PA 1a & PA 1b in Bratislava on 3 May 2012, are not getting stronger. Main event of the cooperation was preparation and cooperation at the workshop 1 at the 2nd Annual Forum. Cooperation needs to improve in particular in projects of common interest, such as:

1. A Common Transport Vision for the Danube Region - TRANSDANUVIOS,
2. Danube Region Intermodal Strategy (DRIS) project.

The reasons for close cooperation and support are the logical approach to develop a unique transport system and viable projects of transnational importance. Both projects are proposed by PA 1b.

What lessons have been learnt from this experience so far?

The most important lesson so far is a general understanding of the contribution of the EUSDR. It is important to coordinate activities beyond the actual activities on the ground which has been initiated within different national policies. As a critical element for the further work a need for the common picture on the transport system in the region (common transport vision) was identified. This picture should give a basis to the group to identify critical projects for the region and to assure coordination with other priority areas. In addition promotion is an important element in fulfilling the need to make the strategy even more visible. In this respect active participation at various events organized by stakeholders is bringing the first results.

Several lessons learned based on overall experience and impressions:

- Throughout the SG meetings all participants took an active part in discussion which enabled them to express and share their opinions as well as to ask questions and discuss topics
- SG members became aware of importance of strategic approach in transport system planning
- SG members understood the principles of strategic management and the stages involved in the strategic planning process
- Developing a common transport vision of the region is iterative and challenging process which comprises a lot of different ideas and priorities, so it need to be guided in a uniform manner (uniform methodology)
- Communication of a vision of the strategy should be recognized as very important managing tool
- Specificities of various national transport systems must be taken fully into account
- Project Cycle Management is one of the most important topics in project preparation phase
- Lessons from other EUSDR PAs should be learnt and experiences of all PA exchanged in order to improve overall implementation of the strategy,
- Balanced methodological approach and adequate content should enable efficient reaching of the meeting/workshop/conference objectives.

Are there any plans to improve the implementation and if so, how?

Indeed the implementation could be improved if:

At policy level

- all countries would take part in implementation, so far nine are active;
- a ministers meeting would be organized (Slovenian and Serbian minister for transport) signing a MoU on support to the EUSDR PA 1b implementation (with the following aims: to define a common interest to the EUSDR, to ensure even better support to PAC-s, to establish a Joint technical secretariat to support EUSDR PA 1b implementation, etc.),
- joint technical secretariat to support work of PAC is established,
- Common Transport Vision for the Danube Region is developed and promoted,
- strategic approach is promoted and strategic position of EUSDR PA 1b towards external financial sources is defined.

At operational level

- work of PACs need to be actively supported by HLG, NCPs and the SG members. In addition SG members should take more active role in preparation of SG meetings and PA1b workshops,
 - more stakeholders are attracted in implementation process, organization of meetings, workshops, conferences and project implementation,
 - financial sources are found for prepared projects that are ready to be implemented, in particular project ideas that cover all the region need to be broadly supported and recognized as crucial for future transport planning activities by possible financial sources,
 - simplified form of document management system is created in order to speed up coordination of SG members and exchange of updated documents,
 - training or seminar regarding the project appraisal is to be organized, such as cost-benefit and cost-effectiveness analysis.
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Prepared by PACs:

Miodrag Poledica, PAC Serbia
Franc Žepič, PAC Slovenia

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