



**Draft Cooperation Programme  
Version 2.0, 22<sup>nd</sup> July 2014 (after PC 9)**

**Danube Transnational  
Programme 2014-2020**



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## List of abbreviations

CADSES	Central, Adriatic, Danubian and South-Eastern European Space
CESCI	Central European Service for Cross-Border Initiatives (contracted for the territorial analysis)
DG	Directorate General
DR	Danube Region
ERDF	European Regional Development Fund
ETC	European Territorial Cooperation
EUSDR	EU Strategy for Danube Region
IP	Investment priority
MA	Managing Authority
ONEP	Office for National Economic Planning
OP	Operational Programme
PA	Priority Area
PAC	Priority Area Coordinator
PC	Programming Committee
RBMP	River Basin Management Plan
SEA	Strategic Environmental Assessment
SEE	South-East Europe Programme
TNC	Transnational Cooperation
TO	Thematic Objective
ToR	Terms of Reference

## Introduction to programme version 2.0

Metis GmbH, SEEN Kft and ONEP further elaborated the programme draft document in line with the inputs provided by the 9th PC meeting in Split and based on the contributions of the public consultation (national stakeholder events, online survey).

In general, the structure of the cooperation programme has to be in line with the provisions set out in the Implementing Act No 288/2014, Annex II that provides a predefined structure for cooperation programmes which has to be entered into the SFC 2014. The status of development of the programme document is outlined in the following table:

Programme chapters	Status of development
<b>1. Strategy</b>	Analysis & needs assessment, mission statement, strategic response, justification: 3 <sup>rd</sup> draft Justification of the financial allocation: missing, to be finalized after adoption of financing plan
<b>2. Priority Axes</b>	Specific objectives per IP, results to be achieved and result indicators, fields of actions and actions: 3 <sup>rd</sup> draft Concept paper for quantification of result indicators: missing (August) Baseline values for result indicators: missing Definition of output indicators: 1 <sup>st</sup> draft Target values for output indicators: to be finalized after adoption of financing plan Performance framework, categories of intervention: 1 <sup>st</sup> draft, to be finalized after adoption of financing plan
<b>3. Finance Plan</b>	1 <sup>st</sup> draft by ONEP (comments by Partner States on 1 <sup>st</sup> draft) Annual tranches: missing Climate change contribution: to be finalized after adoption of financing plan
<b>4. Integrated approach</b>	First draft by drafting team Coordination of the cooperation programme implementation with EUSDR has to be developed
<b>5. Implementing provisions</b>	2 <sup>nd</sup> draft by ONEP Section on involvement of partners needs further inputs
<b>6. Coordination</b>	First draft by drafting team Coordination of the cooperation programme implementation with EUSDR has to be developed
<b>7. Reduction Burden</b>	1 <sup>st</sup> draft by ONEP
<b>8. Horizontal Principles</b>	1 <sup>st</sup> draft by drafting team
<b>9. Separate Elements</b>	Relevant partners involved in the preparation of the cooperation programme: <u>information from Partner States missing</u> New: NUTS regions covered by the programme area
<b>10 Annexes (uploaded as separate files)</b>	New: Documents provides by ONEP (related to chapter 5) New: Summary report on Public Consultation

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# **1 Strategy for the cooperation programme's contribution to the Union Strategy for smart, sustainable and inclusive growth and the achievement of economic, social and territorial cohesion**

## **1.1 Strategy for the cooperation programme's contribution to the Union Strategy for smart, sustainable and inclusive growth and the achievement of economic, social and territorial cohesion**

### **1.1.1 Description of the cooperation programmes strategy**

#### **1.1.1.1 Role of the cooperation programme**

European Territorial Cooperation programmes are intended to complement other European programme strands such as "rural development" or "investment for growth and jobs" programmes which aim to investment in infrastructures, enterprises and people. Cooperation programmes are primarily designed for further territorial integration through enhanced cooperation in specific policy fields. Given its overall budget size, the cooperation programmes cannot target large-scale investment interventions and consequently major economic impact.

#### **Mission**

The Danube transnational programme is a financing instrument with a specific scope and an independent decision making body and supports the policy integration in the Danube area in selected fields under the CPR/ERDF regulation linked to the EUSDR strategy. The strategic vision is "policy integration" below the EU-level (not duplicating efforts in policy integration at the EU-level e.g. TEN-T) and above the national level in specific fields of action. Transnational projects should influence national / regional / local policies ("policy driver").

In order to achieve a higher degree of territorial integration of the very heterogeneous Danube region the transnational cooperation programme will act as a policy driver and pioneer to tackle common challenges and needs in specific policy fields where transnational cooperation is expected to deliver good results through the development and practical implementation of policy frameworks, tools and services and concrete pilot investments whereby strong complementarities with the broader EUSDR will be sought.

Needs are related to the issues how to improve institutional frameworks for cooperation, how to improve the quality of policies and their delivery and how to deliver solutions through concrete investments and smart pilot action.

The success of programme implementation will depend on targeted selection of the most relevant interventions and a further increase in the efficiency of administrative procedures and a reduction of the administrative burden for the beneficiaries.

One clear lesson learnt during the period 2007-2013 was, that the number of institutions which are able to take over the function of a lead partner is clearly limited for a variety of reasons. Thus, the programme for the period 2014-2020 has to be developed with a view to cooperation areas in which competent actors and feasible ideas can be expected in sufficient numbers.

#### **SEE programme 2007-2013**

The transnational cooperation has a considerable tradition in the DANUBE area, reaching back to 1996 with the CADSES Programme. This was followed by CADSES II until 2007, when the South-East Europe Programme (SEE) was set up with some

geographical adjustments. This can be considered as a direct predecessor of the Danube Programme.

The SEE aimed to improve integration and competitiveness in an area as complex and diverse as the area of the DANUBE Programme. Taking the positive and appreciated experiences as a proof, one can state that it succeeded. They became best practices and will also be considered for the future. One of the earliest examples of success is the decision made to support the maintenance of the integrated management system for IPA II and ENI funds established within SEE.

The SEE involved 16 participating countries, out of which several will not be a part of Danube Programme but will continue their cooperation in the frame of Adriatic-Ionian programme (Albania, The Former Yugoslav Republic of Macedonia, Greece, Italy). They will be replaced in the new period by the German Länder of Baden-Württemberg and Bayern and also by the Czech Republic.

The SEE addressed four major priority axes: Innovation, Environment, Accessibility and Sustainable Growth. The success of the programme is emphasized by the large number of projects financed – 122, most of them being based on large partnerships of ten or more organizations. This number shows that beyond the complexity of the programme area, there is a strong need and will for cooperation on transnational level in the region. The Danube programme shall grasp these cooperation energies and channel them towards the strategic objectives drawn on EU and macro-regional level. The doors knocked by the SEE can be opened by the Danube Programme through capitalizing the results achieved and the cooperations initialized.

#### **The Danube transnational programme 2014 - 2020**

In December 2012, the Commission presented its view on the territorial coverage of the new programmes, including the Danube Programme comprising 14 countries. In January 2013, an initial discussion was held at the premises of the Commission with the participation of the representatives of the countries involved. During this meeting, the connection between the Danube programme and the EUSDR, based on interconnectivity and mutual support, was highlighted.

##### **1.1.1.2 Danube programme area**

The programme area covers nine Member States (Austria, Bulgaria, Croatia, Czech Republic, Hungary, Germany – Baden-Württemberg and Bayern, Romania, Slovakia and Slovenia) and five non-member states (Bosnia and Herzegovina, Moldova, Montenegro, Serbia and Ukraine – 4 provinces), being composed of 69 NUTSII regions.

Geographically, the DANUBE Programme area overlaps with the territory addressed by the EU Strategy for the Danube Region (EUSDR), comprising also the Danube river basin. It is the most international river basin in the world. The area makes up one fifth of the EU's territory and it is inhabited by approximately 114 million people. The variety of natural environment, the socio-economic differences and cultural diversity of the various parts of the area may be perceived as major challenges but actually represent important opportunities and unexploited potential.

Figure 1. The Danube programme territory



Source: [http://www.southeast-europe.net/en/about\\_see/danubeprogramme/index](http://www.southeast-europe.net/en/about_see/danubeprogramme/index)

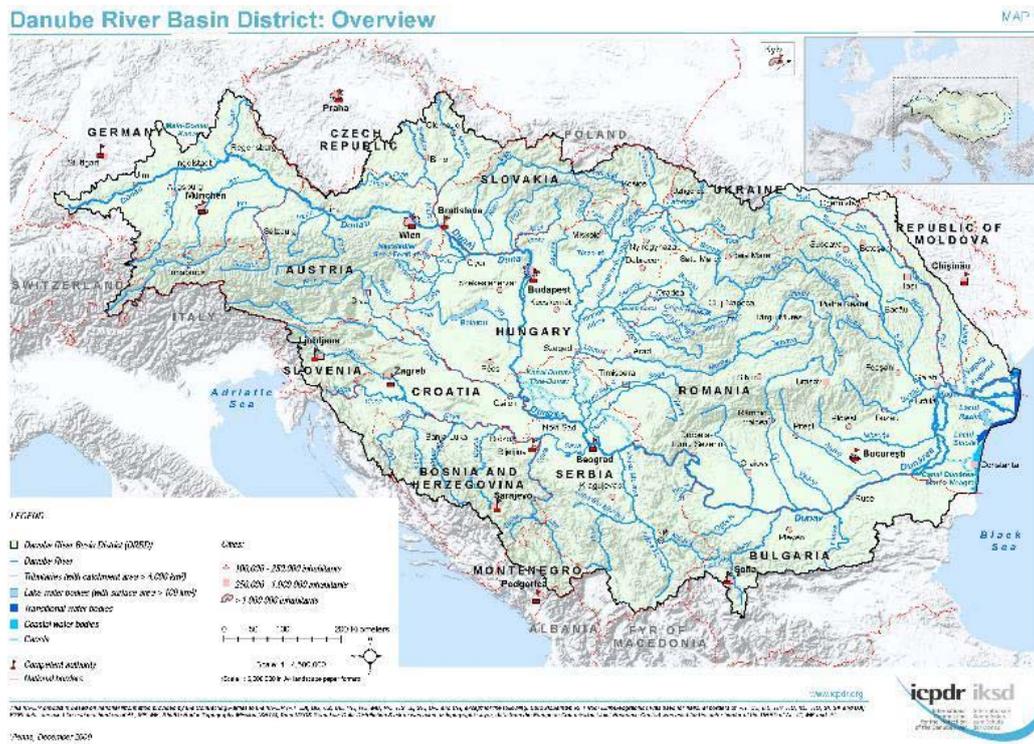
### 1.1.1.3 Key facts of the programme area

#### Territorial cohesion

Danube Region is displaying a large variety of bio geographical features, hence a wide range of various living habitats. The variety is caused by the many types of climates existing in the area, consequence of the different landscapes. This makes the macro-region as a whole a very valuable natural environment, with unique characteristics on global level. The value of the natural environment is worldwide recognized, 8 UNESCO World Heritage natural sites being designated in the area. Nevertheless, human activity such as agriculture, industry, infrastructure development, regulation and intense water use, threatens its preservation and the sustainable development of the entire area.

The central element of the macro-region is the hydrographic basin of the Danube River. During its length on 2857 km the river is collecting the waters of 74 tributaries from a surface of 801,463 km<sup>2</sup> with specific and valuable eco-systems. These are also exposed to human intervention, the river habitats being often interrupted by infrastructural facilities for flood protection, hydro-power generation or water supply.

Figure 2. Hydrography of the Danube River Basin



Source: [www.icpdr.org](http://www.icpdr.org)

### Economic cohesion of the Danube Region

One of the most visible characteristics of the area is the disproportionate level of economic development. In terms of economic strength, the western part of the area is considerably well ahead the others. The most used indicator in revealing the economic development is the Gross Domestic Product, which for the programme area, if expressed in values per capita, is below the EU28 average. The analysis of the GDP in the region shows that the two participating Länder in Germany are producing almost half of the GDP of the entire area. Going deeper with the analysis, the unbalance is even more striking when one compares the EU member states' share in the GDP of the area (88-90%), with the non-Member States' (10%). Nevertheless, the growth rate of GDP in the eastern part of the area – approximately 26% - significantly exceeds the growth of the western countries – 16% - which represents a solid basis for an increased cohesion and reduced development gap on macro-regional level.

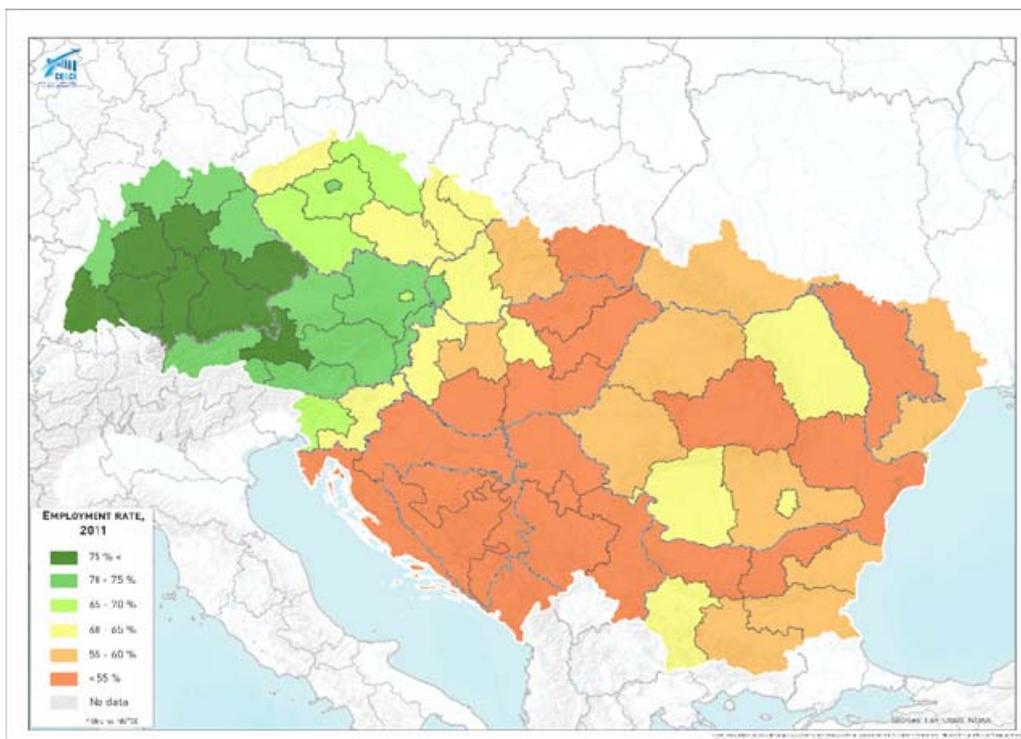
Furthermore, even if the economies of the region are strongly relying on SMEs, due to the structural difficulties and lack of internationalization of their activities, these are not able to fully exploit the existing potential. To illustrate this, it can be observed that even though the SMEs are producing a quarter of the area's total GDP, this is not fully reflected in the export activities where they have a share of just 10%.

As a key element for growth, the labour markets in the region suffer from the negative consequences of the economic crisis which Europe has experienced starting with 2008. The crisis revealed the structural problems of the region's economies, which left

a harsh mark on the labour markets as well, manifested especially in the levels of employment rates. As in many other topics, the picture of the area is not homogenous, the discrepancy being manifested at this level as well. While in the western part of the programme area the employment rates are raging in between 70 and 75%, in the eastern countries the values are below 55% in most of the NUTSII regions, often on entire country level.

The analysis of the labour markets reveals that heterogeneity is even wider, that the roots of the problems are very diverse on national and even regional level<sup>1</sup>. One of the most important problems, at least in the Eastern part of the programme area, is the scale of black labour market, but there are other important obstacles which are hindering the development of this sector, as the level of education, the level of investments and the general business environment. In general, the economically less developed regions are also less urbanized, having an important share of the active workforce employed in agricultural sector and showing a higher level of unemployment.

**Figure 3. National and regional disparities in the level of employment in the Danube River Basin**



Source: CESC "Regional Analysis of the Danube Region"

Cooperation on macro-regional level can be an important asset in overcoming the difficulties, and, even if there is no universal solution applicable everywhere, some best practices may be considered, especially related to atypical employment and measures in adapting the educational systems to the market demands.

<sup>1</sup> CESC Regional Analysis of the Danube Region

### **Social cohesion of the Danube Region**

The Danube region is the shelter of a fascinating diversity of cultures. Besides the frictions of historic origins, this can constitute an important potential for the area, since the social resources embedded in this variety can turn into driving forces which can provide new energies for acting and development. Besides the ethnical, the region is facing challenges in other fields of social inclusion, like for instance the situation of the different marginalized groups. Their needs have to be addressed at society level, failing to do that being a serious threat for ensuring the sustainable development of the region.

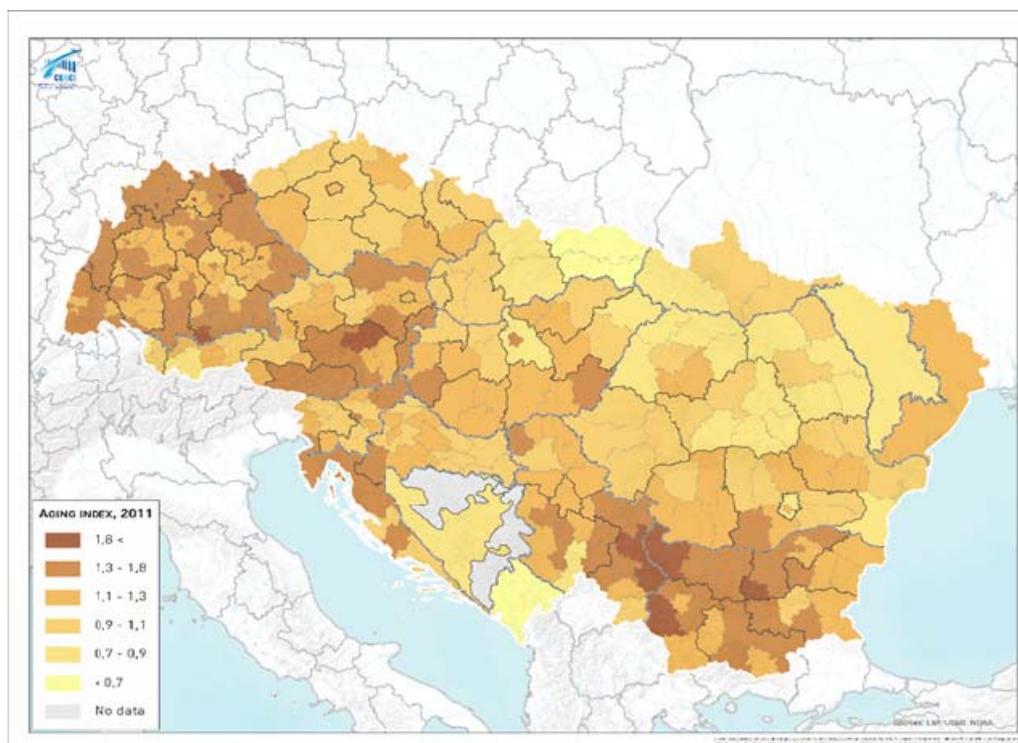
The dispersion of population within the programme area does not show the same heterogeneity as in case of other economic features. Still, it can be observed that there are concentrations around capital cities and other major economic and cultural cities (e.g. München or Stuttgart) with a concentration of 4,000 per/km<sup>2</sup>, while the minimums in terms of density are registered in mountain areas – the absolute minimum is in Ličko-senjska županija in Croatia of 9 pers/km<sup>2</sup>. On average, the population density ranges between 50 and 250 pers/km<sup>2</sup>.

Danube is of outmost importance for its unique biodiversity and environmental richness, but it also represents an essential European transport corridor and an intensively used migration corridor as well. The analysis of the statistical data reveal a rather vivid migration activity which has a large variety of manifestation: national (especially from rural towards urban areas), cross-border (especially from the Eastern countries towards the Western), and external (originating from Asian and African countries).

Danube region is characterized by mono centric urban areas without strong cross-border connections. This feature creates the possibility of developing polycentric metropolis regions, which is already manifesting in many cases through the formation of functional urban areas and strong metropolitan European growth areas. This process is encouraged by the loosening of the borderlines between Member States, but implies in the case of non-Member States that borders are still standing as barriers at present.

Most of the countries of the Danube region are facing the aging problem, which put a pressure on the social welfare systems. Besides Ukraine, Slovenia and Serbia, all the other countries are experiencing the phenomenon of aging on different intensities. The highest values are present in Austria, Germany and central parts of Bulgaria, where the number of citizens above the age of 65 is approximately twice as much as of those aged under 15. Policies need to be put in place in order to develop the social care system which will face increasing challenges, but emphasis shall be put also on improving the conditions of youth population in the rural and economically less developed regions

Figure 4. Ageing index of the Danube Region on NUTS III level



Source: CESCO "Regional Analysis of the Danube Region"

#### 1.1.1.4 Process to identify the transnational cooperation needs

For coordination and decision-making during the activities of programme preparation, a Programming Committee was set up in February 2013, being composed of the representatives of the participating countries. Beyond defining the content of the programme, its tasks included also the consultations with the national and international stakeholders in order to elaborate a programme which, while building on the political agenda, best addresses the needs emerging from the potential beneficiaries and target groups. In order to incorporate the practical experiences of the transnational cooperation in the area, a consultation process was initiated with the Joint Technical Secretariat of SEE Programme, as well. Its inputs proved to be valuable in assessing the viability and feasibility of potential field of actions, from practical perspective.

The Programming Committee held several meetings in 2013, concluding some possible focus points for the content of the future programme and agreeing about the institutional structure for the management. In July 2013, in Bucharest, it was underlined that special attention and consideration should be given to the institutional cooperation, to innovation and research, environment and efficient use of resources, to transport, to the challenges represented by the climate change processes, to stimulating the reduction of carbon emissions and to education. Nonetheless, a final decision has not been taken regarding the priorities the programme shall support. Further discussions and analysis in order to reach an efficient and focused intervention of the programme were conducted during the following meetings held in 2013 in Belgrade, Stuttgart and Zagreb, and 2014 in Ljubljana and Budapest.

### Pre-selection of thematic objectives & priority investments (Step 1)

In order to have a solid basis for the decisions regarding the priorities of the programme, the future Managing Authority contracted external experts to prepare a comprehensive Territorial Analysis. The document was prepared during the autumn of 2013 and first half of 2014, its findings and conclusions being the basis for drafting the content of the programme.

The analysis is a comprehensive screening of the programme area including territorial, economic and social aspects without an orientation related to the thematic objectives defined by the ERDF Regulation. The challenges identified by the analysis were the basis for the political decision of the Programming Committee regarding the relevant thematic objectives and intervention priorities the programme should address. Considering also the experiences of SEE Programme, during the Programming Committee meeting held in Ljubljana in March 2014, an agreement was made on the list of thematic objectives the Danube Programme shall focus upon. The results of this process can be summarized as follows:

**Table 1. Step 1: Pre-selection of thematic objectives & priority investments by the Programming Committee**

TOs (short title)	Main challenges identified by the territorial analysis (CESCI) according to Part V of the Territorial Analysis	Selection of IPs through the PC where TNC is expected to deliver good results ("TNC filter") building on SEE experience
1 Research & innovation	<ul style="list-style-type: none"> <li>• Coordination of the countries' R&amp;D profiles and capacities</li> <li>• Linking dynamic key sectors that provide employment with the nodes that associate scientific-technological centres</li> <li>• Diminishing hindering factors in the diffusion of knowledge and innovations (ability to implement knowledge-based and technology-intensive activities)</li> <li>• Increasing the employment rate of high value-added R&amp;D&amp;I sector, cooperation among existing and potential R&amp;D&amp;I centres</li> </ul>	1b (including the social dimension of innovation and human resource aspects to be addressed)
2 ICT	<ul style="list-style-type: none"> <li>• Elimination of macro-regional differences experienced in the field of ICT</li> <li>• Coordination of ICT systems in the region</li> </ul>	Limited relevance of the topic for transnational cooperation. Only to be considered as a cross-cutting issue
3 SME	<ul style="list-style-type: none"> <li>• New models for SMEs</li> <li>• Development of SMEs to participate in transnational cooperation</li> </ul>	Strong needs related to this topic, but the most important aspects – exploitation of new ideas, innovation – are part of the TO1. Not selected
4 CO <sub>2</sub>	<ul style="list-style-type: none"> <li>• Further reduction of GHG emissions</li> <li>• Enhancement of resource-efficiency</li> </ul>	The TO was not selected. Parts of it may be tackled under TO1, where innovative approaches can be initialized as part of eco-

TOs (short title)	Main challenges identified by the territorial analysis (CESCI) according to Part V of the Territorial Analysis	Selection of IPs through the PC where TNC is expected to deliver good results (“TNC filter”) building on SEE experience
		innovation.
5 Climate	<ul style="list-style-type: none"> <li>• Decreasing the negative effects of climate change</li> <li>• Improvement of climate change adaptation abilities</li> <li>• Risk management plans for sites exposed to climate change</li> </ul>	5b was considered as highly relevant in terms of flood risks, but the topic should be dealt with under TO6
6 Environment	<ul style="list-style-type: none"> <li>• Decreasing the risk of flood damage caused by lack of cooperation</li> <li>• Managing the threat of cross-border contamination and water pollution diffusion</li> <li>• Prevention on the fragmentation in cross-border bio-geographical areas</li> <li>• Development and support of the cross-border continuity to create the functional connections of ecological networks</li> <li>• Coordinated management of cultural and natural heritage in the Danube Basin area</li> </ul>	The selection of the following IPs 6b, 6c, 6d, 6f, is strongly justified both in terms of needs and relevance from transnational cooperation point of view
7 Transport	<ul style="list-style-type: none"> <li>• Proper implementation to connect to TEN-T networks according to macro-regional interests</li> <li>• Developing trans-national environmental-friendly and low-carbon transport systems</li> <li>• Sustainable development of waterways</li> <li>• Macro-regional coordination of logistic capacities</li> <li>• The development and macro-regional integration of different energy networks and of internal market in order to have more favourable prices</li> <li>• Development of the smart grid</li> <li>• Reduction of energy dependency</li> </ul>	The needs of the programme area and the potential transnational activities in the field justified the selection of IP 7b and 7c, while the need to develop the energy distribution, storage and transmission systems called for the necessity of considering IP7e
8 Employment	<ul style="list-style-type: none"> <li>• Decreasing the presence of black economy</li> <li>• Diversification of economic activities</li> <li>• The harmonization of labour demand and training structures, the active adaptation of western good practices particularly in the countries of south-east</li> <li>• Decreasing disparities (regarding wages, jobs, qualifications, etc) of labour markets in different countries</li> <li>• Making atypical forms of employment available throughout the entire region</li> </ul>	Major needs are existing in the area in relation to development of human resources. Due to the thematic concentration requirements it is not selected, but parts could be considered under TO11. Furthermore, the Programme shall support innovative solutions (under 1b) to tackle the complexity of the problems effectively.
9 Poverty	<ul style="list-style-type: none"> <li>• Generation of transnational antipoverty actions that decrease the inequalities and the</li> </ul>	The complexity of the problem

TOs (short title)	Main challenges identified by the territorial analysis (CESCI) according to Part V of the Territorial Analysis	Selection of IPs through the PC where TNC is expected to deliver good results ("TNC filter") building on SEE experience
	characteristics of poverty <ul style="list-style-type: none"> <li>• Cooperation in combating social problems</li> <li>• Integration of Roma people to Danube Region and improvement of their social condition</li> </ul>	suggest that a much wider approach is needed, than covering by a Thematic Objective alone. Nevertheless, social innovation supported under IP1b can address some important problems in an effective manner, further aspects being also subject of potential initiatives under TO11.
10 Education, LLL	<ul style="list-style-type: none"> <li>• Support of cross-border cooperation in the fields of education, scientific research and technical development</li> <li>• Common use of capacities in institutes of education, research and innovation, and the balanced further spatial development of the educational and training systems based on network cooperation</li> </ul>	Major needs were identified in the region in relation to education, but due to the thematic concentration requirements, the TO is not selected. Parts of the topic may be tackled under TO1 via innovative learning systems, while institutional capacity-building and cooperation may be addressed under TO11
11 Governance	<ul style="list-style-type: none"> <li>• Elaboration and implementation of working models and initiatives regarding to multi-country cooperation</li> <li>• Overcoming administrative barriers by cooperation</li> <li>• Support of the institutionalized and cross-border and transnational cooperation, civil and non-institutionalized cooperation</li> <li>• Harmonization of vertical and horizontal cooperation</li> </ul>	TO11 was considered as very important, both in terms of developing the institutional capacities in the macro-region and in supporting the implementation of EUSDR

### Assessment of transnational challenges and needs for selected policy fields (Step 2)

In a second step, in order to have a solid basis for the final selection of investment priorities and the definition of the specific objectives, the pre-selected investment priorities were consequently further refined and detailed by an external team of experts in charge with the elaboration of the cooperation programme. The challenges identified in the Territorial Analysis performed by CESCI were approached from the perspective of the possibilities offered by the Danube Transnational Programme. Those elements which were found compatible were considered and further investigated in order to determine the fields where the highest transnational impact can be achieved.

This in depth analysis of the transnational challenges and needs of the given priorities allowed the Programming Committee to identify the elements on which the programme

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support shall focus, these being the basis for the formulation of the specific objectives, the results and actions.

### **General policy framework**

The Danube Transnational Programme was developed taking into consideration the broad policy framework channelling the development efforts on macro-regional, national and regional levels. The drafting process was primarily conducted along the goals and priorities identified within multi thematic strategies on EU and macro-regional levels.

The **Europe 2020 Strategy**, as an instrument to coordinate the national and EU level policies in order to generate and maintain development on EU level, is focusing on the three pillars of the concept of growth: smart, sustainable and inclusive. The mechanism needed for achieving the above-mentioned goals includes the National Reform Programmes which are containing the objectives on national level in pursuit of the EU 2020 objectives.

The **European Union Strategy for Danube Region (EUSDR)** intends to develop coordinated policies and actions in the area of the river basin, reinforcing the commitments of Europe 2020 strategy towards the smart, sustainable and inclusive growth based on four pillars and eleven priority areas. These shall tackle key issues as mobility, energy, biodiversity, socio-economic development or safety. In line with the goals of territorial cooperation objective, the Strategy is not focusing on funding, but rather on enhancing closer cooperation within the concerned territory. A key element of the strategy is coordination, by encouraging the increase in the level and quality of network activities, strengthening the existing regional and interregional cooperation but also fostering new collaborations.

The **South-East Europe 2020 Strategy (SEE 2020)** was launched by the participating countries<sup>2</sup> in 2011, as recognition that close cooperation can accelerate the attainment of goals in key sectors. Inspired by Europe 2020 Strategy the SEE 2020 is pursuing similar objectives taking into account the regional specificities. The document provides important strategic guidance for the non Member States from Western Balkans, in achieving a higher degree of convergence with the goals of EU2020.

Additionally, thematic policy frameworks were reflected in order to best address the needs in given sectors and the design of the programme took into consideration the goals identified in specific thematic fields. The list of these strategic documents includes:

- EU Water Framework Directive (2000)
- TEN-T Connecting Europe
- EU Biodiversity strategy (2011)
- Prioritized Action Frameworks for NATURA2000
- EU 7<sup>th</sup> Environmental Action Programme
- EU Climate and energy package
- Energy efficiency plans / SET plans

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<sup>2</sup> Participating countries in SEE 2020 Strategy (the countries participating in Danube Transnational Programme are bolded): Albania, **Bosnia and Herzegovina**, **Croatia**, Kosovo (This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence.), **Montenegro**, **Serbia** and The Former Yugoslav Republic of Macedonia

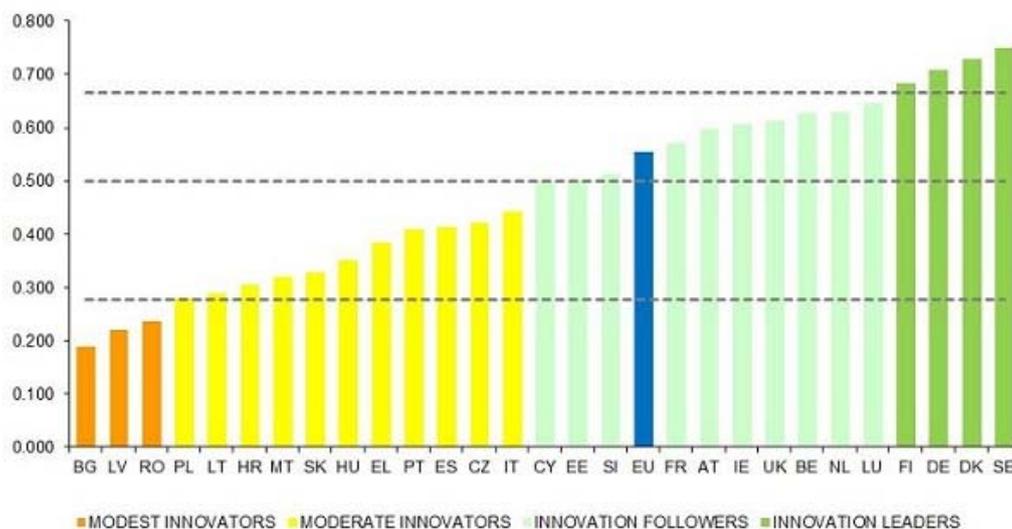
- SME Small Business Act
- EU Smart Specialisation Platform
- The Danube Innovation Partnership
- European Research Area, Strategic Research Agendas developed under the Joint Programming Initiatives
- Western Balkan R&D Strategy for Innovation – WISE (drafted with World Bank / RCC to monitor progress)

### 1.1.1.5 Research & innovation

#### Characteristics

The research and innovation sector is of special importance for the region since it can create the added value needed in order to overcome the relative economic backwardness of the region as a whole, and it can provide the answers needed for the new societal challenges the area has to face, as demographic changes or migration. The field shows important disparities on Danube Region level, both in terms of its resources allocated but also in its structures and human resources available. While the western part of the area is on a level of development comparable with the most advanced European countries, the eastern part is seriously lagging behind. This situation is revealed by the Innovation Union Scoreboard 2014, which classify Bayern and Baden-Württemberg Landers of Germany as being Innovation Leaders on Union level, while the biggest part of the area is belonging to the Modest Innovators group.

Figure 5. Innovation Union Scoreboard 2014



Source:

The uneven distribution of research and innovation capital is mainly due to the different framework conditions the sector is facing throughout the region. The wide range of financial allocations and policies governing the research sector are determining the institutional capacities of the actors involved, leading to different levels of performance. The total intermural expenditure on research and development in 2011 was ranging

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between 600 and 1000 Euro in Germany and Austria, while with the exception of Czech Republic and Slovakia, they were not reaching 150 Euro. The share of the GDP rates allocated to this sector on regional level, according to 2010 data, the only regions where the Europe 2020 target of 3% was achieved were located in Germany and Austria. While the countries from the central part of the programme area are allocating in between 1 and 2% to R&D on regional level, the situation in the southern and eastern part of the region is much worse, with an overwhelming majority of values less than 0.5%.

These disparities may be addressed by an increased level of interconnectivity among the actors active in the sector, creating the conditions to better use the potential existing in the less developed regions. Transnational level strategies in the field of innovation and better exploitation of smart specialization principles can boost the research and innovation performance of the region, by better coordinating the capacities, create synergies and use of complementarities. Moreover, the increased flow of knowledge and information through transnational channels may generate positive results in terms of strengthening the institutional cooperation and in elaborating governance instruments in order to foster these activities.

The intensity of the transfer of knowledge from the scientific sector towards the exploiters displays the same heterogeneity on macro-regional level. In most of the regions there are serious difficulties in transforming the scientific results into commercial success, mainly due to the poor cross-linkages among the scientific centers, public authorities and SMEs. This phenomenon represents a serious challenge for the region's competitiveness, since innovation has a proven positive effect on the development and performance of SMEs, leading in the same time to employment growth and better quality jobs. Transnational cooperation can contribute to better dissemination of knowledge and scientific results and it can strengthen the capacity of SMEs to take an active role in generating innovation or exploiting the results of the academic sector. Moreover, by improving their level of internationalization, the transnational actions may create important dissemination networks which will further improve their performance and will contribute to the reduction of the intra-regional disparities.

In order to foster the sustainable and inclusive growth of the programme area, other aspects of innovation should be addressed, such as eco-innovation and social innovation. The complexity of the geographical area asks for new approaches in terms of environmental technologies helping to create green jobs and provide sustainable progress for the area. Given the fact that the majority of the countries in the region are importing the necessary energy, the volatility of the global energy market, and not the least the environmental impact of energy production on the climate change, efforts are needed in order to improve energy efficiency. Transnational initiatives in this sense may result in tailor-made solutions applicable in the context of Danube Region, taking into account the particular characteristics of the area.

The development of research and innovation sector is based on the human resource involved in the processes. Statistics show a low level of employment in knowledge-intensive sectors on macro-regional level with a need to increase the skills and competences in order to support the use and dissemination of the results of innovation. Moreover, due to the situation of the labour markets, exploitation of the possibilities given by developing entrepreneurial culture, with special focus on innovative sectors, may provide a valuable support in developing the innovation potential of the region. In this sense, transnational cooperation can play an important role in adapting the

innovative learning systems and by this, in increasing the adaptability of labour force to technological progress.

#### **Challenges and need for cooperation**

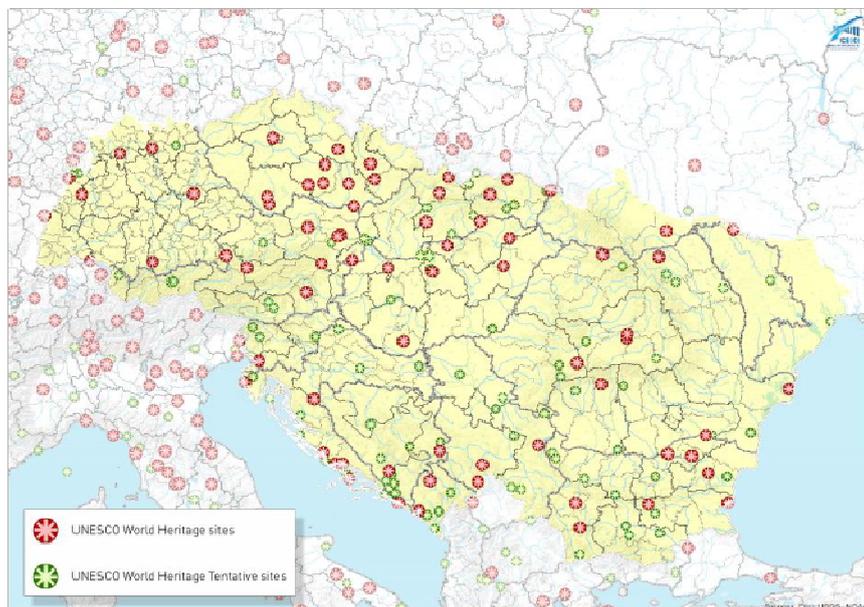
- There is an insufficient transnational cooperation and coordination on institutional level which needs to be improved in order to fully enhance the research and innovation potentials of the region
- The creation of a stimulating environment for research and innovation activities is dependent on promoting adequate policies which are not in place in many parts of the region
- The modest flow of information and knowledge between regions of the programme area is enlarging the differences in research and innovation activities, therefore efforts should be made to create functional and efficient communication channels
- The SMEs capability to adapt to innovation needs to be supported by strengthening the transfer of information and encouraging the triple helix approach
- There is a need to develop skills and competences in order to make possible the generation and use of the results of research and innovation activities, and their transfer into economy

#### **1.1.1.6 Cultural heritage & tourism**

##### **Characteristics**

Besides the fascinating biodiversity of the region, the Danube programme area represents one of the richest regions in Europe in terms of variety of cultures. The incredible diversity of ethnic groups (nearly 30) with their own languages, religions, architectures and traditions put an individual print on the area. It can be observed that in most of the cases the value of the cultural heritage was acknowledged and there is a large number of sites put under protection. This is proven by the number of world heritage sites which can be found in the Danube region. There are 65 world heritage cultural sites in the area, which are supplemented by 8 natural heritage sites, altogether creating a very attractive destination for tourism. Nevertheless, in order to properly valorise these assets through tourism, efforts are needed for improving the management of the sites both in terms of preservation and in development of sustainable methods of exploitation. The transnational programme can provide the optimal framework for coordination of such actions and can support the development of transnational strategies for jointly promoting the Danube Region as a tourist destination.

**Figure 6. World heritage sites in the Danube Region**



Source: CESCO "Regional Analysis of the Danube Region"

The cultural diversity can represent a high potential for development, the coexistence of numerous ethnic, language and religious groups creating the premises for easier communication and more intensive collaboration. This is even more strengthened by the large number of migrants concentrated around major cities of the region. The specific milieu of multiculturalism represents a source for developing the cultural creativity and to boost the creative industries, which can lead to more and better jobs both in culture-related fields and in tourism as well, thus increasing the attractiveness of the region.

#### **Challenges and needs for cooperation**

- There is a need in for increasing the governance and coordination capacities for the preservation and valorisation of the cultural and natural resources
- By creating an optimal framework, Danube can become the linkage element of different touristic products increasing the touristic significance of the entire region
- Utilisation of linguistic identities and cultural proximities can enhance the cooperation within the region

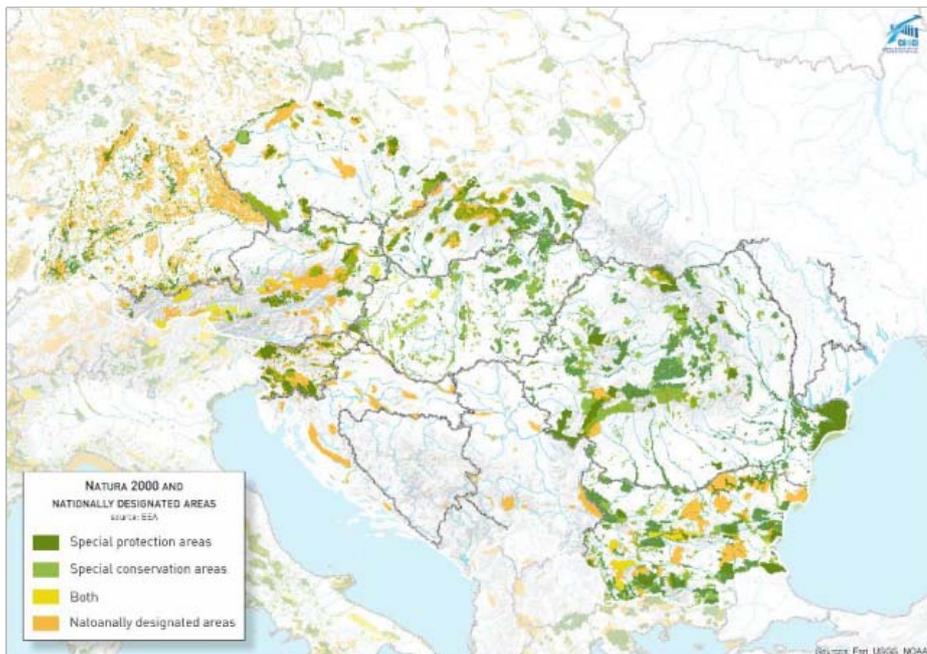
#### **1.1.1.7 Ecosystems & biodiversity**

##### **Characteristics**

The Danube Region with its lowlands and Carpathian Mountains, is a unique ecosystem, consisting of a large number of bio geographical regions with their specific habitats and with peculiar landscapes and geological formations. Recognizing their importance, the countries from the region designated large areas for preservation of this richness. There are 70 national parks and more than 1,000 NATURA 2000 areas, covering a large spectrum of natural values. Due to the restrictions implied by this

status, the potential economic advantages deriving from it are often neglected. International cooperation may create the platform for creating the conditions of sustainable economic valorisation of these natural values, both on governance and on exploitation level.

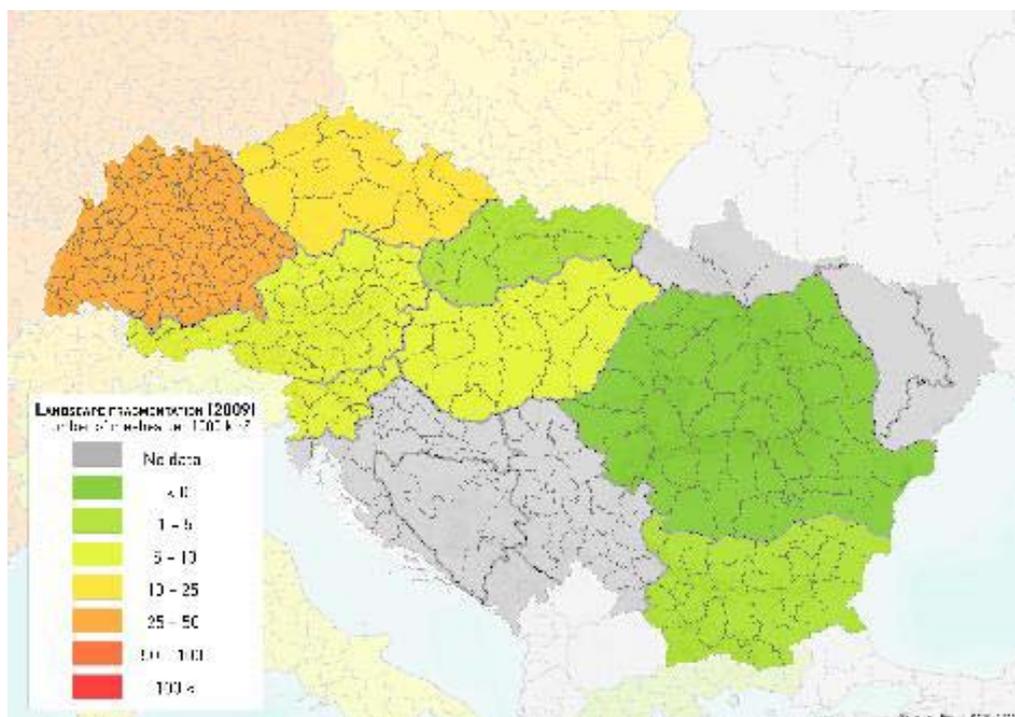
**Figure 7. Protected areas in the Danube Region**



Source: CESCO "Regional Analysis of the Danube Region"

The development of the region and the increasing human interventions created pressure on land usage and resulted in a high fragmentation of landscapes, mainly because of the establishment of transport networks, changes in the land use, logging and fires. This process had a bad influence on the biodiversity, since it created large artificial areas which are almost unusable from the aspects of ecosystems. Besides the negative effects of increasing the artificial areas, the fragmentation reduced considerably the territories with coherent ecological relations, the natural habitats being in some cases severely affected. Transnational actions can provide the framework for developing relevant policies oriented towards sustaining a functional ecological network. The intensive use and development of green infrastructures together with increased and coordinated capacity of water and nature protection management can represent efficient tools in this direction.

**Figure 8. Landscape fragmentation in the Danube Region**



Source: CESCO "Regional Analysis of the Danube Region"

### **Challenges and needs for cooperation**

- The high level of fragmentation of bio-geographical areas and natural habitats need to be stopped and coherent ecological corridors should be created and preserved
- The means of economic exploitation of the natural preservation areas through green infrastructures should be identified and put into practice

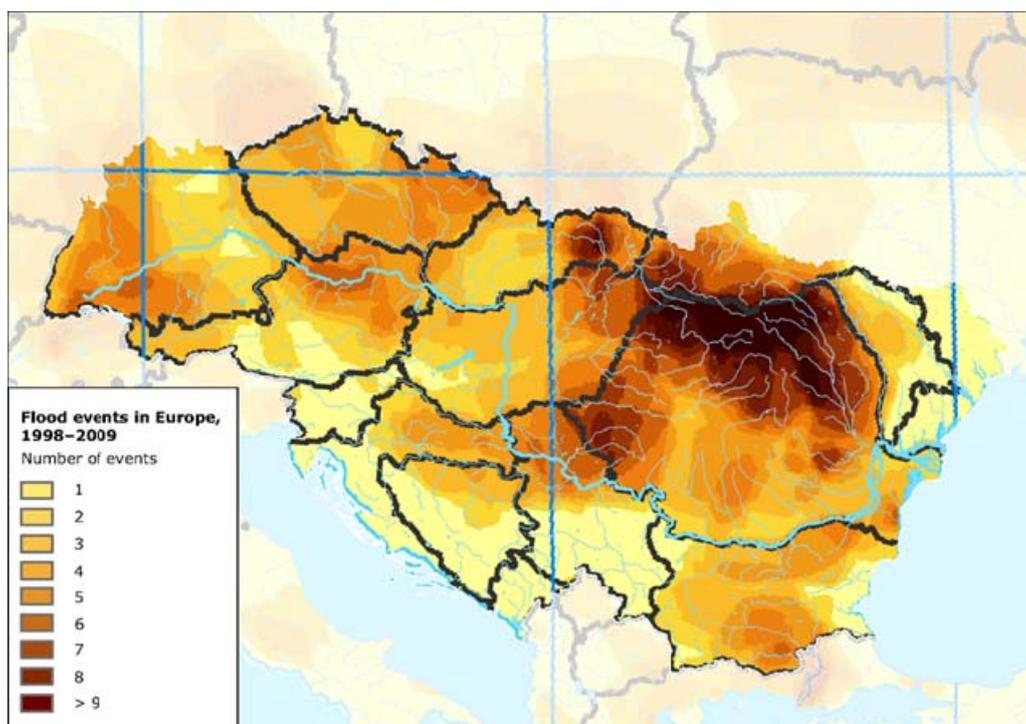
#### **1.1.1.8 Climate change & risk management**

##### **Characteristics**

Deriving from the river which is acting as a catalyst of the area, a central element of international cooperation within the Danube Region is the water management. Based on the Water Framework Directive, the Danube River Basin Management Plan (DRBMP) defines the general objectives for the protection and enhancement of river basin and the sustainable and long-term use of water resources. Within this framework, countries are preparing their River Basin Management Plans developing tools of monitoring and measures of improving the water quality and the ecological balance. In order to maximize their effect, there is need for cooperation at international level among the countries involved. Transnational initiatives may support this activity, as well as future development of DRBMP.

Due to its geographical profile, the Danube area is exposed to floods, often of impressive scale and frequency. Statistically, Romania is the most affected country by this phenomenon with the highest number of regions with more than 9 major flood events taken place in between 1998 and 2009. Hungary, Slovakia and Serbia may also be considered as countries with important exposure to a high number of major floods, while Slovenia and Montenegro are the safest from this point of view. The actions during this type of extreme conditions need to be coordinated, since in most of the cases their character is international. Transnational actions can serve as an instrument for enhancing the precision of forecasting, the preparedness and capacity for intervention in a coordinated way.

**Figure 9. Occurrence of major floods in the Danube Region**



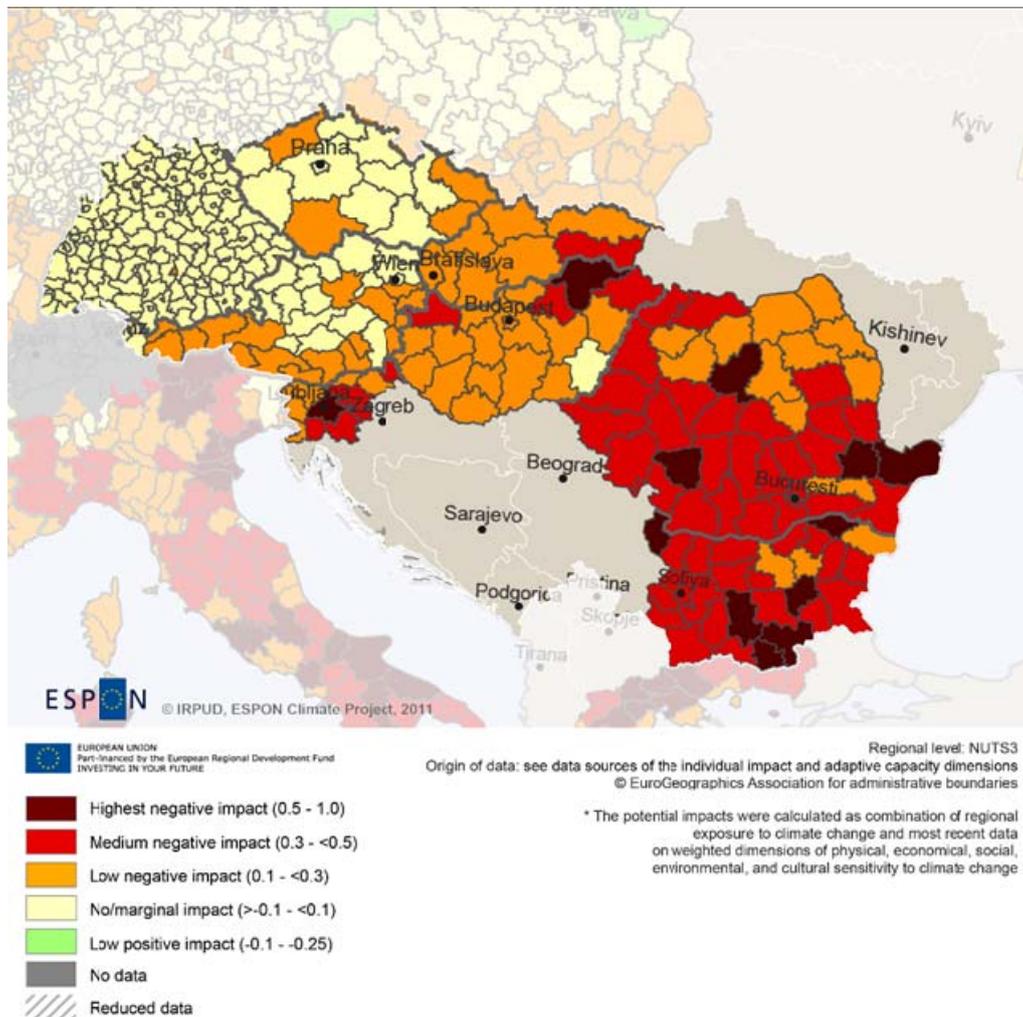
Source: CESCO "Regional Analysis of the Danube Region"

Beyond floods and exposure of water resources to polluting elements, other risk factors are endangering the human and natural habitats of the region, such as industrial accidents, fires or droughts. Not the least, a very relevant phenomenon is the climate change, which increases the occurrence of the previously mentioned risks, imposing a threat on the entire region. The highest vulnerability in connection to climate change and its negative consequences is faced by the eastern part of the programme area, while the situation is much better in the western part (especially Germany) where studies are predicting that the climate change will have no or marginal impact on the general environment.

Transnational initiatives can generate coordinated policies and operational capacities for international reaction in case of occurrence of different types of risks. The climate change adaptation abilities already developed in some parts of the region, can serve as best practices for the rest of the area. By transferring this knowledge the

governance capacity of the area in the fields related to environmental risks can be considerably enhanced.

Figure 10. Vulnerability to the climate change in the Danube Region



Source:

### Challenges and needs for cooperation

- There is a need for international coordination of policies related to water management within the framework of DRBMP, since water represents an essential resource of the region
- Efficient, transnational disaster management systems shall be created in order to develop the intervention capacity and limit the damages of the occurring risks
- There is a need to develop strategies and action plans in order to manage the challenges represented by climate change

### 1.1.1.9 Transport & mobility

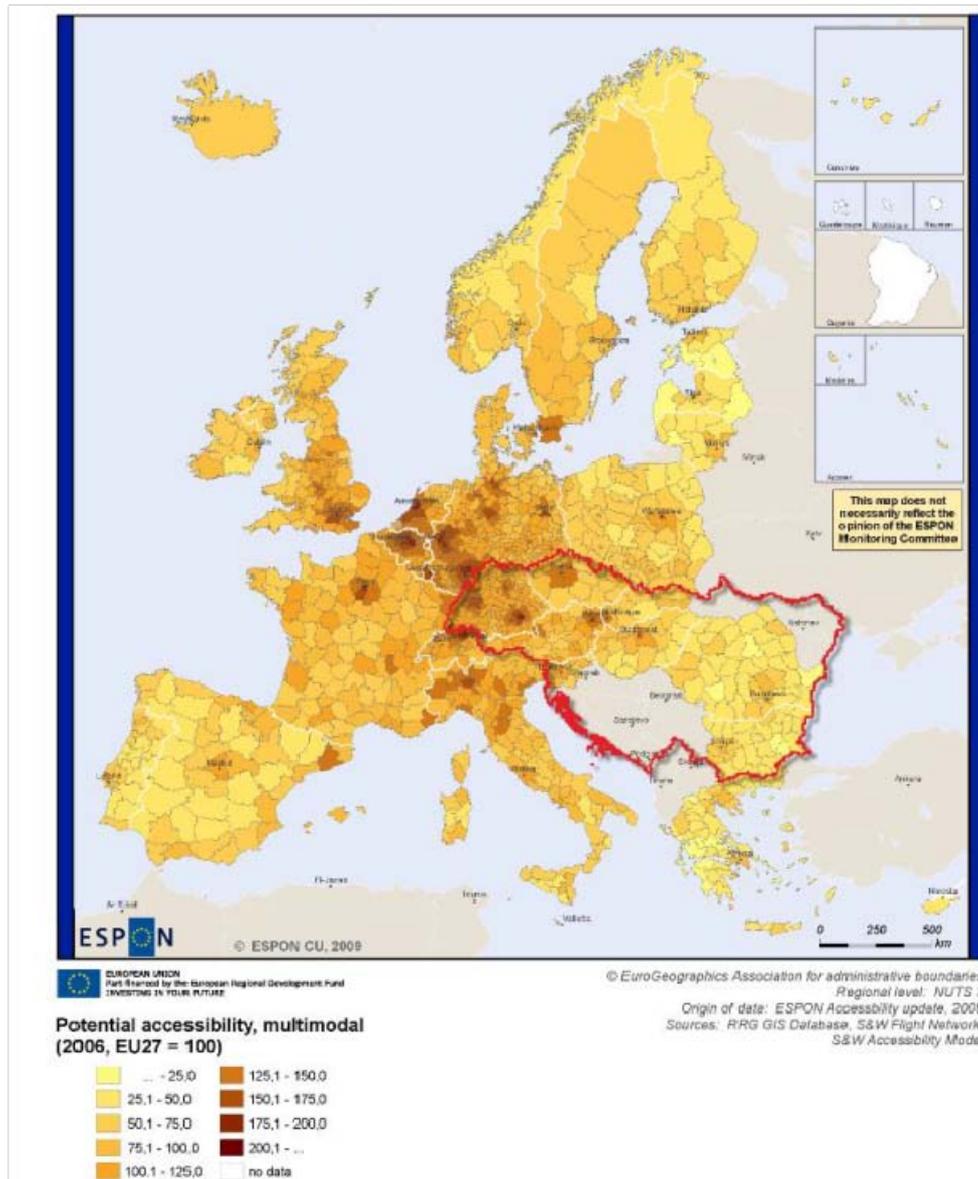
#### Characteristics

Due to its geographical position, the Danube area represents an important transport corridor both on North-South and on East-West axis. Deriving from it, there is a considerable density of TEN-T Multimodal Core Network designated, being on different stages of physical implementation. The full realization of it is supported mainly through Connecting Europe Facility (CEF), and its operability will create a high-performing infrastructure for intra-regional and external mobility. However, besides the major pathways, the Danube Region faces important accessibility problems especially for the areas situated outside the designated corridors. The connectivity of these regions to the TEN-T networks through the secondary and tertiary nodes is of special importance for ensuring the conditions for growth in the area. Nevertheless, in order to ensure proper viability and efficiency, this process shall be integrated and coordinated on macro-regional level. Since such coordinating mechanisms do not yet exist, the transnational programme may assist in creating a common vision on transport in the area.

As speed and efficiency of freight movements is a key success factor for global competitiveness, special attention should be paid for development of viable logistic chains within the macro-region. The lack of fully multimodal networks (road, rail, air, water transport) represents an important weakness which should be addressed. Besides the quality and quantity of the infrastructural element, connectivity and mobility can be also increased by improving the strategic transport management, such as coordination among services, intermodal connected systems by existing transport facilities, or overcoming the discontinuity across borders. These can further eliminate bottlenecks in the region's network and help in exploiting its logistic potential. Efficient results in this sense can be best achieved within transnational approaches.

Transport is a major field of interference between human activity and biodiversity, since transportation may induce physical fragmentation of natural environments and habitats, but it also represents a serious source of air or noise pollution. One of the most distinctive features of the region in terms of transportation is the Danube River as an important part of Rhine-Danube TEN-T Corridor. Waterway transport has a relatively low environmental impact, thus the creation of an efficient multimodal transport system in the region may become a driving force in support for its sustainable development.

Figure 11. Potential multimodal accessibility



Source:

### Challenges and needs for cooperation

- In order to reduce the accessibility deficit of the areas outside the TEN-T corridors, there is a need to establish an innovative and sustainable mobility system within a transnational common vision on transport
- Besides the infrastructural development, efforts are needed on strategic management level for increasing the transport efficiency
- There is a need to fully exploit the region's logistic potential by developing efficient multi-modal networks

- The negative effects of transport and the relative fragility of the ecological balance are asking for the identification of innovative solutions to reduce the harmful impact.

#### **1.1.1.10 Energy**

##### **Characteristics**

Energy supply is the backbone of economic growth, and therefore, its shortage or unaffordability becomes a constraining factor for economic development. Danube Region, not unlike the EU Member States and other countries around the world, currently face immense challenges in the energy sector. The diversity of energy production/distribution systems and the energy efficiency targets on European level, require the preparation of national plans for a better usage of the existing sources and a higher level of energy security.

In terms of energy consumption, due to the higher level of development and more intense economic activity, the western part of the Danube Region is consuming much more than the eastern part. On the other hand, they are also leaders in energy production, having an important share of their energy generation resulted from the use of renewable sources. One of the key elements of safeguarding a secure supply is the transmission and distribution of energy, the most important problem of the Danube Region being the energy losses during these processes. In the majority of the countries the losses are above 10%, making the transmission and distribution very costly and inefficient.

The topic is a typical issue in which macro-regional approach is essential in order to ensure more effective regional planning, especially since there is a considerable lack of cooperation between Danube Region countries in the field of energy. The transnational coordination of measures can enhance the interconnection of the transmission/distribution networks, the establishment of functional regional energy markets, the improvement of energy efficiency or the better usage of the potential in renewable energies, thus increasing the region's security of energy supply.

##### **Challenges and needs for cooperation**

- Coordinated measures are needed in the different sectors of energy production/distribution/usage in order to secure a stable supply system in the region.

#### **1.1.1.11 Governance**

##### **Characteristics**

The Danube programme area is characterized by a very high administrative fragmentation, the macro-region being composed of 14 states of very different sizes and administrative structures. Besides the different principles which are at the basis of the administrative systems, the countries of the region are on a different level of governance performance, reflecting the different development paths. As a consequence, the countries display various institutional capacities most of them lacking the strategic and operational capacity to respond to challenges, as the usage the investment opportunities provided by the European funds as a major source of development. Moreover, the involvement of civil society and other stakeholders in the

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decision-making processes is still limited in big parts of the programme area, therefore diminishing the impact of the interventions.

With some exceptions, there is a lack in the capacity of using the potential of territorial cooperation in improving the governance, even though there are some very relevant policy areas which can be efficiently approached only within a joint, transnational framework (as migration issues, demographic change, or marginalized communities). The transnational actions can help improving this capacity, but also to promote the good practices related to delivery of public services and for encouraging exchange of experiences in order to better contribute to the EU objectives.

The **EUSDR** was endorsed by the Member States in April 2011. It is designed to foster development in the area through cooperation, focusing on four pillars and eleven priority areas. The macro-regional strategy helps formulate joint policy objectives and supports better coherence of EU policies in the Danube Region. The governance system of the strategy is based on Priority Area Coordinators, which are ensuring the implementation of priority areas through planning and providing technical assistance for achieving the assumed targets. Thus, their activity is fundamental for the successful implementation of the Strategy and for generating good quality transnational projects.

Even if the start is promising, based on the experience accumulated, there are some elements of the implementation which need to be further strengthened or developed in order to enhance the operation and effectiveness of EUSDR's governance system. The Danube Transnational Programme may contribute to these efforts by providing assistance to the governance of the strategy, either by supporting the activity of the PACs or by ensuring that proper quality, mature projects are prepared for the implementation of the EUSDR goals. Moreover, the programme can enhance the sense of ownership by providing the platform for communication among different stakeholder representing the regional governmental bodies and civil society.

#### **Challenges and needs for cooperation**

- The usage of ERDF funds as a source for investment is relatively low due to the limited capacity of the national systems, which can be improved by the transnational transfer of experiences.
- The potential of the transnational cooperation in the exchange of good practices and coordination of policies is not sufficiently explored when addressing major societal challenges in the region
- The decision-making of the administrative systems should be improved by increasing the level of cooperation/collaboration between different governmental levels, sectoral policies, governmental and non-governmental organizations
- There is a need to support the governance system of the EUSDR by supporting the activity of the PACs, in order to ensure a more effective implementation of the strategy
- Considering the difficulties faced by potential project owners, support shall be provided to develop mature projects in order to ensure better access to different funding sources for implementation of the EUSDR
- In order to strengthen the strategic role of the Commission and the partner countries in implementing the EUSDR, there is a need for the establishment of an EUSDR Focal Point, as a new institution to be set up to facilitate the information flow between EUSDR key actors.

#### 1.1.1.12 Strategic response by the programme to contribute to Europe 2020

In 2010, the European Union and its Member States launched the Europe 2020 strategy as a ten years roadmap, which is an overall strategic framework (quantified by five EU headline targets) putting forward three mutually reinforcing priorities:

- Smart growth: developing an economy based on knowledge and innovation.
- Sustainable growth: promoting a more resource efficient, greener and more competitive economy.
- Inclusive growth: fostering a high-employment economy delivering social and territorial cohesion.

The link of the Danube programme to the Europe 2020 strategy goals is ensured through the definition of thematic objectives (Article 9, CPR) and the requirement for thematic concentration (Art. 6 ETC Reg.). The thematic objectives are further broken down into investment priorities (Article 5 ERDF Reg.) and specific objectives (Article 7 ETC Reg.). Priority axes are set out to combine investment priorities from one or from different thematic objectives in order to achieve synergies.

The priorities for the present cooperation programme are based on the specific characteristics and needs of the programme area which have been identified and agreed through an extensive programming and consultation process among the programme stakeholders and a wider ETC community. Moreover, the programming took into account lessons learned from previous programming periods, the given financial framework and the existence of suitable implementation and administration structures.

The area of the Danube programme correlates not only to the territory of the EUSDR, adopted in 2011 but also has a considerable tradition of transnational cooperation. The aim to achieve a higher degree of territorial integration of its territories reaches back to 1996 with the CADSES Programme and 2006 with the South East Europe Programme – respectively with geographical adjustments.

The Danube programme 2014-2020 includes a huge transnational area, more than 100 million inhabitants, a variety of natural environment, socio-economic differences and cultural diversity. Consequent needs and challenges with regards to institutional stakeholders and citizens will be faced by providing a framework to develop, test, implement, compare and coordinate their ideas, visions and plans.

Hence, the Danube programme addresses all three dimensions of sustainability, including social, economic and environmental aspects but also institutional dimensions. It applies an integrated approach by focusing on cross-sectoral and multi-level governance cooperation structures and by considering the supply and demand of all partners.

With the objective of supporting economic, social and territorial cohesion the Programme will act as a policy driver and pioneer. Beyond that, the thematic concentration on selected priorities will allow for the focus on niches.

In the current programming period 2014-2020 the Danube programme is therefore structured across four Priority Axes (plus TA) that intend to develop coordinated policies and actions in the programme area reinforcing the commitments of the Europe 2020 strategy towards smart, sustainable and inclusive growth.

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Moreover, the definition of specific objectives, a well functioning monitoring system and selection criteria shall increase the quality of cooperation. Keeping in mind the broad thematic scope of topics, the focus of implementation will lie on the relevance of actions and transparency of project selection. The development of the defined topics and their positive effects on the governance of EUSDR processes and existing institutional relations will be one major objective of the programme. On the other hand, the development of new and innovative practices and experimental actions will be supported as far as they are embedded in a relevant, institutional framework and match the regional needs.

Targeted transnational cooperation will – in a complementary way to EUSDR key action – address the

- Development of strategic frameworks and shared perspectives in a number of areas where action cannot be taken effectively without coherent frameworks, and
- Where awareness of shared needs, challenges and opportunities exists, pilot actions can enable actors to develop new approaches on a common basis.

#### **Mission of the Danube transnational programme**

- Contribute to a higher degree of territorial integration of the very heterogeneous Danube region
- Act as a policy driver and pioneer to tackle common challenges and needs in specific policy fields where transnational cooperation is expected to deliver good results
- Develop policy frameworks, tools and services and concrete pilot investments whereby strong complementarities with the broader EUSDR will be sought
- Make targeted selection of the most relevant interventions and further increase the efficiency of administrative procedures and reduce the administrative burden for the beneficiaries in order to ensure the success of programme implementation

#### **Priorities of the programme**

The Danube programme will contribute to Europe 2020 through investing in the following thematic objectives (TOs) which are:

- TO 1) Research & Innovation
- TO 6) Environment, Resource efficiency (including risk management)
- TO 7) Transport (including energy security and energy efficiency)
- TO 11) Governance

The programme shows a clear thematic concentration on the thematic objectives 1, 6, 7 and 11. This is in line with the ETC Regulation since at least 80% of the ERDF finances shall be concentrated on a maximum of four thematic objectives.

The cooperation programme addresses the following five priority axes:

**Priority axis 1: Innovative and socially responsible Danube region**

The priority axis includes one investment priority (1b) corresponding to the thematic objective 1 (Research and innovation).

In order to contribute to the implementation of the flagship initiative “Innovation Union of the Europe 2020 Strategy” in the Danube Region countries the programme pays specific attention to a number of innovation topics of broad relevance in the cooperation area such as eco-innovation, knowledge transfer, cluster policy, social innovation and skilled entrepreneurship including technological and non-technological innovation aspects. The social dimension in innovation (social innovation, educational aspects, and entrepreneurship skills) is given high importance.

Research and innovation is interlinked with other thematic objectives addressed by the programme: TO 6 (environment including climate adaptation, innovative technologies for adaptation and risk prevention), TO 7 (promoting sustainable transport and removing bottlenecks: innovative solutions for environmentally friendly and low-carbon transport systems) and TO 11 (administrative capacities can be enhanced through innovation).

**Priority axis 2: Environment and Culture responsible Danube region**

The priority axis includes two investment priorities (6c and 6d) corresponding to the thematic objective 6 (Environment and resource efficiency).

The programme strengthens joint and integrated approaches to preserve and manage the diversity of natural and cultural assets in the Danube region as a basis for sustainable development and growth strategies.

Moreover the programme envisages investing in the creation and/or maintenance of major ecological corridors along river systems including the Danube delta. This intervention is directly interlinked with water management and the control of environmental risk factors such as climate change and flood risks.

Furthermore disaster prevention and disaster management (risk management) is addressed related to risks that are caused by non-functioning ecosystems and man-made changes in climate conditions.

**Priority axis 3: Better connected Danube region**

The priority axis includes two investment priorities (7c and 7e) corresponding to the thematic objective 7 (Transport).

The programme intends to support the regional connectivity to the TEN-T network. Better management of regional mobility and better permeability of borders at the regional level should ensure that urban and rural areas benefit from the opportunities created by the major transportation networks which are developed through the Connecting Europe facility.

Furthermore environmentally-friendly (including low-noise), low-carbon and safe transport systems should be supported including inland waterways & ports and multimodal links in order to promote sustainable regional and local mobility, modal integration and intelligent transport.

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Moreover energy is a typical issue in which a transnational approach is essential in order to ensure the security of supply of the countries, market integration and more effective regional planning, as well as to jointly identify the most critical infrastructure developments. Regional energy planning and –coordination should be improved across the Danube region within the wider context of EU energy policy-making to safeguard the security of energy supplies. Another aspect actual is the development of smart distribution systems where the programme area is still in the early stages. The programme aims to better coordinate the development of smart energy distribution systems to make the significant investments of regions in renewable energy sources, energy efficiency and smart grids more efficient.

#### **Priority axis 4: Well governed Danube region**

The Priority axis includes one investment priorities distinguished into two specific objectives (“11a”/ERDF and “11b”/ETC) corresponding to the thematic objective 11 (Governance).

Institutional cooperation and capacity is a key target and the vital element of the programme at the same time. Institutional capacity is not just a technical matter of training civil servants, but it relates to how public authorities interact with and deliver services to businesses and citizens. "Good governance" is the basis and ultimate objective for institutional capacity building. Good governance builds trust and social capital. States with a high level of social capital tend to perform better economically.

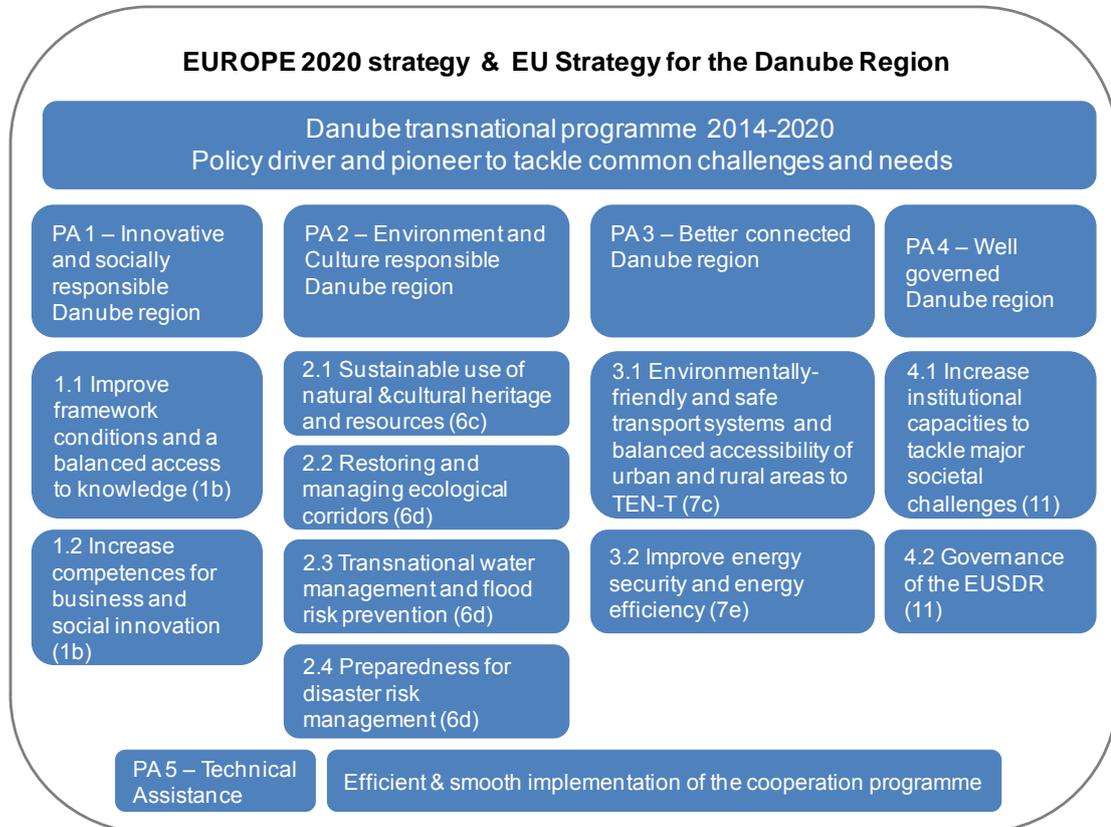
The need has been identified by the analysis to develop the capacities of the public authorities and other public and civil society stakeholders to become able to tackle more effectively the challenges of highest relevance for the region. Establishing institutional cooperation by the programme should lead to improving legal and policy frameworks, developing strategies and action plans, development of joint capacities and coordinated delivery of services in areas with major societal challenges such as labour market policies, education systems and policies, demographic change and migration challenges, inclusion of vulnerable and marginalized groups, participatory planning process and involvement of civil society, urban-rural cooperation and partnership, cooperation on safety, justice and security issues.

In addition, there is the need to improve the capabilities and capacities of public institutions and key actors involved in complex transnational project development to implement the EUSDR in a more effective way.

Last but not least the **Priority Axis 5 (Technical Assistance)** should ensure the efficient and smooth implementation of the Danube programme.

The “big picture” of the programme is presented in the following table.

**Figure 12. Overview on priority axes and specific objectives of the cooperation programme**



Source: Metis on basis of PC

### Type of actions to be supported under the cooperation programme

In principle the following types of action are supported under the cooperation programme:

- Development of **common orientations, frameworks and strategies** in fields of transnational relevance where early policy development is needed (i.e. in fields which until now have not been touched by significant projects in the previous programming periods)
- Development and practical implementation of **transnational tools and services** (e.g. analytical tools, management tools, technical tools, software tools, monitoring tools)
- Development and practical implementation of **fixed investments (infrastructure, equipment) to finance pilot investments** in products, infrastructure and construction works and to finance equipment to carry out project activities and demonstrate the feasibility of transnational tools and services
- Development and practical implementation of **training and capacity building** (e.g. training seminars and courses, study visits, peer reviews)

- 
- Accompanying **information, dissemination and publicity measures** to inform stakeholders and/or the general public about project activities and outcomes

Examples of action to be supported under the programme are described in section 2.

The complementarities of planned interventions with the EU Strategy for the Danube Region (EUSDR) both in the programming process as well as in the implementation phase is outlined in section 4.4.

### **1.1.2 Justification for the choice of thematic objectives and corresponding investment priorities**

The choice of Thematic Objectives (TO) and Investment Priorities (IP) as set out in Section 2 has been carried out using the following criteria:

- the **relevance** of the TOs to the key challenges and most important transnational development needs identified under each of the overarching objectives of the EU2020 and EUSDR strategies (territorial and statistical evidence) within the Danube area;
- the **context**, namely the regulatory framework offered and the added value of adopting a transnational approach for the implementation of actions under the TO, to address issues identified under the objective (transnational cooperation potentials) in the given financial envelope;
- the **lessons** drawn from the SEE programme and activities and the absorption capacity of the area.

Additionally, to maintain a strong focus on thematic concentration and limit the number of IPs, complementarity and potential synergies between IPs under different have been widely explored and used. See the following table.

**Table 2. A synthetic overview of the justification for the selection of thematic objectives and investment priorities**

Selected thematic objective	Selected investment priority	Justification for selection
<p><b>TO 1</b> <b>Research &amp; Innovation</b></p>	<p><b>1b</b></p>	<ul style="list-style-type: none"> <li>• There is an important potential in coordinating the research and innovation capacities of the macro-region, its heterogeneity offering the opportunity to exploit the comparative advantages of optimized internal synergies</li> <li>• The insufficient development of the cross-linkages between enterprises, R&amp;D institutions and public sector (triple helix approach) shall be improved, since it can contribute to the commercial use of the innovative technologies and processes</li> <li>• The existing human resource capital can be better exploited by increasing the skills and competences through innovative methods, so people can better use the knowledge-intensive products and services and can contribute to the further generation of innovative products/processes/services</li> </ul>
<p><b>TO 6</b> <b>Environment, resource efficiency</b></p>	<p><b>6c</b></p>	<ul style="list-style-type: none"> <li>• The governance of the rich cultural and natural heritage sites shall be improved by upgrading their management and ensure their preservation</li> <li>• There is a weak transnational coordination in maximizing the results of sustainable touristic exploitation of the cultural and natural resources of Danube Region</li> </ul>
	<p><b>6d</b></p>	<ul style="list-style-type: none"> <li>• Increased fragmentation of natural habitats due to human interventions (transport corridors, land use, logging) is endangering the exceptional biodiversity of the region</li> <li>• The relative underdevelopment of green infrastructure needs to be addressed in order to improve the management of the protected areas</li> <li>• Mechanisms for management and control of the water as a central resource for the area have to be further developed</li> <li>• There is a need to coordinate the capacities in the region related to forecasting, preparedness and intervention in case of natural or human activity related disasters</li> </ul>
<p><b>TO 7</b> <b>Transport</b></p>	<p><b>7c</b></p>	<ul style="list-style-type: none"> <li>• There are remote areas in the region with considerable accessibility deficits, therefore the connectivity to the (trans-European) transport networks is needed</li> <li>• There is a general need to shift transport to a more environmental friendly mode, by developing more efficient management solutions on transport systems to reduce pollution</li> <li>• Multimodality facilitate more sustainable transport systems, therefore efforts shall be made in order to develop them</li> </ul>
	<p><b>7e</b></p>	<ul style="list-style-type: none"> <li>• The energy efficiency targets on EU level require the development of an efficient transmission and distribution systems in order to increase the level of energy security</li> <li>• The energy dependency of the region can be reduced through a better coordination between the energy policies of</li> </ul>

Selected thematic objective	Selected investment priority	Justification for selection
		the countries
TO 11 Governance	11 acc. ERDF Reg.	<ul style="list-style-type: none"> <li>• While enhancing the circulation of good practices, the institutional and policy coordination between countries should be strengthened, in order to increase the institutional capacities to operate and to further develop existing structures and processes for a better administrative performance of the public sector in the fields of major societal challenges</li> <li>• The development and utilization of modern management systems and tools by the public institution is modest in many parts of the region, and this represents an important deficit for the quality of the public administration which needs to be addressed</li> </ul>
	11 acc. ETC Reg. Article 7	<ul style="list-style-type: none"> <li>• Based on the experiences accumulated, assistance to the governance system of the EUSDR should be provided by supporting the activity of the key implementers and developing new tools for increasing the communication between key actors</li> <li>• The efficient implementation of the EUSDR is dependent on good quality, mature projects, therefore, considering the difficulties faced by potential project owners, support shall be provided in order to mobilise different funding sources for implementation of the EU Strategy</li> </ul>

## 1.2 Justification of the financial allocation

*To be finalized after adoption of the finance plan*

The overall programme budget is of EUR 273.28 million, with an ERDF contribution of EUR 201.527 million (plus IPA and ENI funds), as detailed in section 3 (Financing Plan). The financial allocation to the chosen thematic objectives reflects:

- The inputs provided by the relevant partners in the course of consultations
- The experiences of the programming period 2007-2013 in particular relating to preparatory steps for key projects and the continuation of efforts in promising policy areas but also with a close view on the capacity of core actors in certain thematic fields
- The estimated financial size of the actions foreseen in each priority axis

Table 3. Overview of the programme investment strategy

PA	ERDF support - EUR	Proportion (%) of the total Union support to the CP			TO	IP	Specific objectives corresponding to the investment priorities	Result indicators corresponding to the specific objective
		ERDF	ENI	IPA				
1	60,628,622	30%			1	1b	<p>1.1 Improve the institutional and infrastructural framework conditions and policy instruments for research &amp; innovation and ensure a broader access to knowledge for the development of new technologies and the social dimension of innovation (SP1)</p> <p>1.2 Foster innovative learning systems to increase competences of employees in the business sector, strengthen entrepreneurial culture and learning and better meet social needs and the delivery of services in the general interest.</p>	<p>R 1.1 Level of collaboration of key actors in the programme area in order to improve the framework conditions for research and innovation (survey based composite indicator)</p> <p>R 1.2 Level of collaboration of key actors in the programme area in order to increase competences for business and social innovation (survey based composite indicator)</p>
2	60,628,622	30%			6	6c	2.1 Strengthen joint and integrated approaches to preserve and manage the diversity of natural and cultural heritage and resources in the Danube region as a basis for sustainable development and growth strategies.	R 2.1 Level of collaboration of key actors in the programme area in order to strengthen sustainable use of natural and cultural heritage and resources (survey based composite indicator)
						6d	<p>2.2 Strengthen effective approaches to preservation, restoring and management of large-scale bio-corridors and wetlands to contribute to the better conservation status of ecosystems of European relevance (SP4)</p> <p>2.3 Strengthen joint and integrated approaches to further develop and implement River Basin Management Plans in the Partner States in line with the overall Danube River Basin Management Plan in order to improve transnational water management and flood risk prevention.</p> <p>2.4 Establish a more effective governance system for emergency situations and improve the preparedness of public authorities and civil protection organisation to better</p>	<p>R 2.2 Level of collaboration of key actors in the programme area in order to foster restoration and management of large scale ecological corridors (survey based composite indicator)</p> <p>R 2.3 Level of collaboration of key actors in the programme area in order to improve transnational water management and flood risk prevention (survey based composite indicator)</p> <p>R 2.4 Level of collaboration of key actors in the programme area in order to improve</p>

PA	ERDF support - EUR	Proportion (%) of the total Union support to the CP			TO	IP	Specific objectives corresponding to the investment priorities	Result indicators corresponding to the specific objective
		ERDF	ENI	IPA				
							manage natural and climate change related risks (such as floods, forest fires, landslide, land erosion, earthquakes) and manmade risks (e.g. industrial accidental river pollution).	preparedness for disaster risk management (survey based composite indicator)
3	40,419,081	20%			7	7c	3.1 Improve planning, coordination and practical solutions for an environmentally-friendly and safer transport network and services in the programme area and ensure balanced accessibility of urban and rural areas to TEN-T infrastructure	R 3.1 Level of collaboration of key actors in the programme area in order to strengthen environmentally-friendly, safe and balanced transport systems (survey based composite indicator)
						7e	3.2 Contribute to the energy security and energy efficiency of the region by supporting the development of joint regional storage and distribution solutions and strategies for increasing energy efficiency and renewable energy usage.	R 3.2 Level of collaboration of key actors in the programme area in order to contribute to energy security and energy efficiency (survey based composite indicator)
4	28,293,357	14%			11	ERDF Reg.	4.1 Strengthen multilevel- and transnational governance and institutional capacities and provide viable institutional and legal frameworks for more effective, wider and deeper transnational cooperation across the Danube region in areas with major societal challenges	R 4.1 Level of collaboration of institutional actors and other stakeholders in the programme area in order to tackle major societal challenges (survey based composite indicator)
						ETC Reg. Art. 7	4.2 Improve the governance system and the capabilities and capacities of public institutions and key actors involved in complex transnational project development to implement the EUSDR in a more effective way	R 4.2 The share of Priority Area Coordinators (PAC) who can effectively implement its goals, targets and key action (survey based composite indicator)
5 TA	12,125,724	6%					5.1 Ensure the efficient and smooth implementation of the cooperation programme	Not applicable

## 2 Description of the Priority axes

### 2.1 Priority axis 1: Innovative and socially responsible Danube region

**2.1.1 Investment priority 1b) promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies.**

#### 2.1.1.1 Specific objective 1.1 Improve framework conditions

**Improve the institutional and infrastructural framework conditions and policy instruments for research & innovation and ensure a broader access to knowledge for the development of new technologies and the social dimension of innovation.**

It is widely acknowledged that innovative capacity and sustainable structures for research and innovation are determined by the interplay of framework factors which enable knowledge to be converted into new products, processes and organisational forms which in turn enhance economic development and growth. The frameworks for innovations link science and technology and non-technology capacity to institutional capacity, i.e. the quality and reach of public governance for innovation, excellent research infrastructure, effective technology transfer institutions, a sound banking and financial system, working (higher) education and training systems and an innovation-friendly environment.

The improvement of innovation framework condition in terms of institutional cooperation and policy instruments and developing practical cross-linkages between enterprises, R&D institutions, higher education and the public sector is a major challenge for the most parts of the Danube region as illustrated in the analysis chapter. Poor cross-linkages among scientific centres, education, public authorities and SMEs pose a main difficulty in transforming the scientific results into commercial success and to enable a broader access to knowledge.

Transnational cooperation can take an important role in developing common orientations, frameworks and tools (policy instruments) by bringing together key players including public institutions, RTD facilities, SMEs (and clusters thereof) and technology transfer institutions and finance practical pilot activities to demonstrate and evaluate the feasibility of transnational tools and services.

Overall, the main envisaged results are:

- Improved strategic frameworks and collaboration to build up excellent research infrastructure in the Danube region.
- More effective collaborative research & innovation activities and support of competent networks between enterprises, R&D centres, education and higher

education and the public sector to enhance the commercial use of research results, foster technology transfer and broaden access to knowledge.

- Improved coordination and developed practical solutions for cluster policies and transnational cluster cooperation for innovation development in technological areas (e.g. environmental technologies and energy efficiency) and non-technological areas (service innovation, social innovation) based on smart specialisation approaches (RIS3).
- Improved strategic frameworks and developed practical solutions to tackle bottleneck factors that hinder the innovation in SMEs, e.g. better access to innovation finance, support for innovative start-ups, and better knowledge on intellectual property rights.
- Specific attention should be given to the cross cutting issues of general interest **eco-innovation** (in order to tackle climate change adaptation and mitigation and the pressure on resources), **social innovation** (to meet social needs related to demographic change, ageing population) and **service innovation** (related to strengthening the employment and knowledge intensive cultural and creative industries) where the programme sets a priority and which can be tackled at different levels (governance, concrete products & services, and education).

A description of the type and examples of actions to be supported and of key terms is given in a separate section (according to the model for cooperation programmes).

Since the participation in cooperation initiatives is very uneven in the Danube region, especially actors and organisations from less developed regions of the Danube area need to be better integrated into cooperation processes and competent networks.

The specific objective is measured by a result indicator (composite indicator) which reflects the level of collaboration of key actors in the programme area in order to improve framework conditions in the field of research and innovation. Target is an increasing level of collaboration and more balanced involvement of partner countries. The baseline of the result indicator will be established through a survey among key actors in the programme area.

**Table 4. Programme Specific Result indicators for Specific Objective No 1.1**

Indicator	Measurement Unit	Baseline Value	Baseline Year	Target Value <sup>3</sup>	Source of data	Frequency of reporting
Level of collaboration of key actors in the programme area in order to improve framework for research and innovation (composite indicator)	Ordinal scale (e.g. 1 to 10)	Established through survey among selected key actors	2014	Increasing level and more balanced involvement of partner countries (qualitative target)	Survey among selected key actors in the field of research and innovation	2018, 2023

Remark: The result indicator needs to capture the desired change in the programme area, be close to policy, and not relate only to programme beneficiaries, but to the whole target population. However, result indicators may measure only some of the relevant dimensions of the results to be achieved.

<sup>3</sup> Target values can be qualitative or quantitative.

### **2.1.1.2 Specific objective 1.2 Increase competences for business and social innovation**

#### **Foster innovative learning systems to increase competences of employees in the business sector, strengthen entrepreneurial culture and learning and better meet social needs and the delivery of services in the general interest.**

This objective extends the circle of classical innovation actors and attempts to bridge the gap to education and training actors, institutions and policy makers at all levels. Transnational action should reinforce cross-disciplinary links between relevant players such as decision makers, education and training facilities, research institutions, business sector, labour market organisations.

It is evident that there is a strong circular and cumulative interaction between knowledge, skills and innovation. Skilled people play a crucial role in innovation through the new knowledge they generate, how they adopt and develop existing ideas, and through their ability to learn new competencies and adapt to a changing environment.

In the Danube region mobility of the workforce leads to a brain-drain of young and well-educated people in some regions, whereas other regions are attractive for receiving this workforce.

In addition, the Danube region needs to make better use of the existing potentials of an increasingly diverse and aging society. Training and education need to enable all individuals to address the socio-economic changes and to obtain qualifications necessary in a knowledge-based economy.

Moreover social innovation and social services should given more room under this objective. Due to the continuing transformation process and low state capacities, work migration, demographic changes in many of the post-socialist Danube countries many social services are not provided within the social, health and educational field. Here innovative approaches are needed to safeguard services in general interest.

Transnational action seeks to increase understanding of the links between skills and innovation and envisages the following results:

- Improved policy learning and development of practical solutions to better adapt human resources to technological change and market requirements
- Improved policies and practical solutions for entrepreneurial culture and learning. Building up a stronger culture of entrepreneurship, improve developing skills and competences for innovative entrepreneurship including gender aspects and addressing also high-quality primary and secondary schooling. Strengthen capacities of the so called supporting organizations.
- Improved frameworks, skills and competences to advance social innovation and social services to better meet social needs and further improve the capacities of regions and public institutions to manage new challenges such as those deriving from demographic change, migration and brain drain.
- Raised awareness to motivate youth to engage in science and innovation and promoting youth entrepreneurship.
- Built up joint educational offers in specific fields of interest (e.g. in sustainable transport sector).

- Improved frameworks for institutional learning and building capacities of public administration to better cope with innovation processes.

A description of the type and examples of actions to be supported is given in a separate section (according to the model for cooperation programmes).

A typical outcome of SO 1.2 which works both at the governance and the implementation level would be – as an example – the establishment and operation of a competent partnership in the Danube region that develops a learning system for entrepreneurial competences preferably with a strong role of actors from less developed regions. It is necessary to achieve close cooperation between scientific and educational institutions with existing private sector, as well as cooperation with local authorities.

Since this specific objective is pursued under thematic objective 1 (research & innovation) the notion is on “**innovative learning systems**” (the broader fields of education, vocational training/VET and lifelong learning without direct link to innovation can be addressed under thematic objective 11 / Governance).

The specific objective to increase competences (skills and knowledge) for business and social innovation by means of transnational cooperation is measured by a result indicator which reflects the level of policy learning and joint action in the Danube area. The indicator will be established through a survey among key actors in the fields of education, qualification and innovation.

The specific objective is measured by a result indicator (composite indicator) which reflects the level of collaboration of key actors in the programme area in order to increase competences for business and social innovation. Target is an increasing level of collaboration and more balanced involvement of partner countries. The baseline of the result indicator will be established through a survey among key actors in the programme area.

**Table 5. Programme Specific Result indicators for Specific Objective No 1.2**

Indicator	Measurement Unit	Baseline Value	Baseline Year	Target Value	Source of data	Frequency of reporting
Level of collaboration of key actors in the programme area in order to increase competences for business and social innovation (survey based composite indicator)	Ordinal scale (e.g. 1 to 10)	Established through survey among selected key actors	2014	Increasing level of collaboration and more balanced involvement of partner countries	Survey among selected education & qualification key actors (potential actors in the area)	2018, 2023

Remark: The result indicator needs to capture the desired change in the programme area, be close to policy, and not relate only to programme beneficiaries, but to the whole target population. However, result indicators may measure only some of the relevant dimensions of the results to be achieved.

### 2.1.1.3 Actions to be supported under the investment priority 1b

In accordance with the SFC2014 model, the following part provides an overview of the types of actions planned to be supported by the cooperation programme. This overview is complemented by indicative thematic examples.

#### **The following types of action may be financed under the investment priority**

Development of common orientations, frameworks and strategies, development and practical implementation of transnational tools and services, development and practical implementation of fixed investments (infrastructure, equipment) to finance pilot investments, development and practical implementation of training and capacity building, accompanying information, dissemination and publicity measures.

#### **The following indicative examples of action should be supported to contribute to specific objective No 1.1 Improve framework conditions**

- Contribute to building up excellent research infrastructure in the Danube region. Firstly support the joint planning and management of research infrastructures with a transnational scope. pan-European research infrastructures are in the preparatory phase in the Danube region (supported by DG Research and the EUSDR), e.g. ELI (Extreme Light Infrastructure) which is planned to be implemented in HU, CZ and RO ([www.eli-hu.hu](http://www.eli-hu.hu), [www.eli-beams.eu](http://www.eli-beams.eu)); International Centre for Advanced Studies Danube – Danube Delta – Black Sea (3D BS Centre) initiated by Romania and Austria; „Danube River REsearch And Management (DREAM). All relevant universities and research institutions along the Danube River and tributaries are potential partners, in strong interrelation with public and private sectors (ministries, regions, hydroelectric companies, waterway administrations to NGOs). Consortium leaders: Austria, Romania, Serbia (see <http://www.danube-navigation.eu/pages/projects/wwwgmt>). Transnational action should complement the European Strategy Forum on Research Infrastructures (ESFRI) which works on joint research infrastructures. Secondly the Danube programme may also support joint efforts with regard to specific and/or smaller research infrastructures and try to raise them to excellence.
- Support the improved coordination of cluster policies and cluster cooperation projects that lead to joint innovation and the development of joint smart specialisation approaches in technological and non-technological areas of strength: Development & expansion of cluster initiatives through joint trainings, joint market research, and coordination of cluster support programmes. Social cluster should also be considered. This could include joint efforts to foster Smart Regions concepts. Cluster policies should be linked to further development smart specialisation approaches through knowledge transfer and capacity building of authorities, agencies, social and economic partners and the education and research community to fully utilize the potentials for smart specialisation in the Danube region.
- Better access to innovation finance and support for innovative start-ups. Joint efforts are supported to better finance SMEs, start-up support for creation of new jobs; internationalisation, access to new markets, innovative ways of financing should be considered (e.g. crowd funding etc.). Creative industry, environmental industry, cultural incubators should get more focus. The cooperation programme should take into account the establishment of a Danube Region Research and Innovation fund which is a EUSDR flagship project with the main goal of

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mobilizing and distribution of funds for support of development of activities in the field of research and innovation in the countries of the Danube Region.

- Moreover it is important to recognize innovative ideas with practical value and connect inventors with entrepreneurs experienced in business development, so that those ideas can become commercially successful. For successful implementation of innovative ideas in practice, the development of adequate and supportive legislation is crucial. Existing legislation developed in other countries could be used as template (e.g. Act on registration of innovative start-ups). Furthermore lacking knowledge on intellectual property may be addressed by joint action.
- Support collaborative research & innovation activities and competent networks between enterprises, R&D centres, education and higher education and the public sector to further develop innovative environmental technologies and common resource efficiency standards and benchmarks including energy efficiency technologies and cross-border water management and to enhance the commercial use of research results. Development of new open innovation approaches in quadruple helix. Support of living labs.
- Establish transnational networks between appropriate partners to develop and implement products, services and models to meet social needs and create new social relationships or collaborations. For instance public health research may be encouraged aiming to provide more extensive information to decision-makers and practice.

The cooperation programme sets a priority on the following cross-cutting issues:

- **Eco-innovation** has become one of the EU's priorities closely linked to climate change adaption and mitigation and is a term used to describe technological products and processes that contribute to sustainable development. Eco-innovation is the commercial application of knowledge to bring-out direct or indirect ecological improvements (e.g. in order to tackle climate change adaption and mitigation). Eco-innovation is closely linked to a variety of related terms such as 'environmental technology' or 'eco-efficiency'. Eco-innovation has an energy-related (energy generation from renewable, energy efficiency) and a non-energy related dimension (environmental technologies in transportation, water & wastewater, air & environment, materials, manufacturing / industrial, recycling & waste, recycling management).
- **Social and service innovation** can be defined as the development and implementation of new ideas (products, services and models) to meet social needs and create new social relationships or collaborations. It represents new responses to pressing social demands (e.g. related to demographic change). Many social innovations have to do with service innovation. This includes innovation in services and in service products, new or improved ways of designing and producing services, and innovation in service firms, organisations, and industries – organisational innovations and the management of innovation processes, within service organisations. It includes employment and knowledge intensive cultural and creative industries (e.g. establishment of a Danube Creative Region)

**The following indicative examples of action should be supported to contribute to specific objective No 1.2: Increase competences for business and social innovation**

- Mutual learning and collaboration to increase skills of employees in the business sector to better adapt to technological change and market requirement (e.g. innovative work-based learning)
- Motivate youth to engage in science and innovation and promoting youth entrepreneurship (“innovative youth”; empowering young people)
- Joint efforts to develop skills and knowledge for implementation of social innovation, innovative learning systems in the area of social services; for example a dual professional education in social professions, e.g. for elderly care and people with special needs and the consequent development of private care services with an entrepreneurial approach would be needed.
- Joint development of innovation related services and qualification offers; improvement of knowledge and skills for social innovation, e.g. enhance competences and entrepreneurship for social innovation in the fields of general interest such as migration, health and ageing, incubation, workplace innovation
- Build up cross-disciplinary networks and joint transnational actions among the training and the sustainable transport sector stakeholders (incl. administrations) for enhancing future needed job qualifications and competences for the logistics and water-borne sectors. Information and training actions for the transport-logistics and industry sectors about the potentials and benefits of sustainable modes of transport, such as multimodal-based Danube waterway transport.
- Improved competences for innovative entrepreneurship, improving the innovation culture and innovation management skills, capacity building for start ups
- Strengthen capacities of the so called supporting organizations in the field of innovation
- Raise awareness on learning systems for development of open innovation
- Policy learning and practical innovative approaches for dual education to reform the educational systems
- Building capacities of public administration for innovative public procurement. Improved public procurement practices can help foster market uptake of innovative products and services. At the same time these practices will raise the quality of public services in markets where the public sector is a significant purchaser. It is therefore important to mobilise public institutions to act as "launching customers" by promoting the use of innovation-friendly procurement practices.
- Create new and improve existing transnational educational and training networks in higher education (e.g. linking academic and business qualifications)

**2.1.1.4 Main target groups and types of beneficiaries supported under the investment priority**

Beneficiaries are according to their **legal form** local, regional and national public authorities/institutions, bodies governed by public law, international organisations and private bodies.

Beneficiaries comprise according to their **thematic scope** among others local, regional and national public authorities and organisations established and managed by public authorities responsible for research, innovation, education and VET, sectoral agencies (e.g. regional development agencies), networks, clusters and associations, research and development institutions, universities with research facilities, business support organisation (e.g. chamber of commerce, business innovations centres), higher education, education/training centre and school, private enterprises including SME and EGTC.

#### 2.1.1.5 Specific territories targeted under the investment priority

No specific focus areas are defined. The entire programme area is eligible.

#### 2.1.1.6 The guiding principles for the selection of operations under the investment priority

In addition to the general principles described in section 5.3 the following theme specific principles should be considered in the selection of operations:

- Contribution to longer term cooperation between R&I actors (not only focus on short term research outputs)
- Clear contribution to the dissemination of technologies (R&D projects for purely scientific purposes without any direct practical application or use in view are not a priority for the ERDF)
- Clear synergies with other research and innovation-related investments under ESI Funds and Horizon 2020
- Usability of project deliverables
- Clear elements of awareness-raising, training, capacity building

#### 2.1.1.7 Common and specific output indicators (by investment priority)

Table 6. Common and programme specific output indicators (by IP)

Indicator (name of indicator)	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
No of jointly developed major products & services related to SO 1.1 (P)	Number	x	Monitoring system	yearly
No of jointly developed major products & services related to SO 1.2 (P)	Number	x	Monitoring system	yearly
No of enterprises participating in transnational research projects (EU)	Number	x	Monitoring system	yearly
No of research institutions participating in transnational research projects (EU)	Number	x	Monitoring system	yearly
No of enterprises cooperating with research institutions (EU)	Number	x	Monitoring system	yearly

(EU): EU common indicator (P): Programme specific indicator

## 2.1.2 Provisions at priority axis level

### 2.1.2.1 Performance framework by priority axis

Table 7. The performance framework of the priority axis

Priority axis	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data
1	Financial indicator	Share of certified expenditure on Priority Axis 1 allocation	%	X%	100%	CA
1	Key implementation step	No of contracted projects in Priority axis 1	Number			MA (monitoring system)
1	Output indicator	No of jointly developed major products & services related to SO 1.1 (IP 1b)	Number			MA (monitoring system)
1	Output indicator	No of jointly developed major products & services related to SO 1.2 (IP 1b)	Number			MA (monitoring system)

### 2.1.2.2 Categories of intervention by priority axis

Table 8. Dimension 1 Intervention field (breakdown of Union support)

Priority axis	Code	Amount (EUR)
1	60 Research and innovation activities in public research centres and centres of competence including networking	
1	62 Technology transfer and university-enterprise cooperation primarily benefiting SMEs	
1	63 Cluster support and business networks primarily benefiting SMEs	
1	65 Research and innovation infrastructure, processes, technology transfer and cooperation in enterprises focusing on the low carbon economy and on resilience to climate change	
1	67 SME business development, support to entrepreneurship and incubation (including support to spin offs and spin outs)	
1	117 Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways	

Priority axis	Code	Amount (EUR)
	including through career guidance and validation of acquired competences	

**Table 9. Dimension 2 Form of finance (breakdown of Union support)**

Priority axis	Code	Amount (EUR)
1	01 non-repayable grant	

**Table 10. Dimension 3 Territory type (breakdown of Union support)**

Priority axis	Code	Amount (EUR)
1	00 Not applicable	

**Table 11. Dimension 6 Territorial delivery mechanisms (breakdown of Union support)**

Priority axis	Code	Amount (EUR)
x	00 Not applicable	

**A summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries and, where necessary, actions to enhance the administrative capacity of relevant partners to participate in the implementation of programmes (where appropriate)**

Not applicable

## **2.2 Priority axis 2: Environment and Culture responsible Danube region**

### **2.2.1 Investment priority 6c) Conserving, protecting, promoting and developing cultural and natural heritage**

#### **2.2.1.1 Specific objective No 2.1 Sustainable use of natural and cultural heritage and resources**

**Strengthen joint and integrated approaches to preserve and manage the diversity of natural and cultural heritage and resources in the Danube region as a basis for sustainable development and growth strategies.**

The strengthening of governance and capacity development for the sustainable use and valorisation of the very rich and diverse natural and cultural heritage and resources of the Danube region is a major challenge for the most parts of the programme area as illustrated in the analysis chapter. A right balance between conservation, protection and advancement has to be developed.

The attractiveness of the Danube region as a tourist destination is given by cultural heritages as well as attractive landscapes. One of the most important criteria for the development of tourism should be sustainability.

Sustainable tourism development in the entire Danube region is a must and should integrate the experiences of the Western European countries on the upper Danube regarding the importance of a good balance between tourism, environment protection and economic growth.

In this respect, tourism development is an opportunity to promote transnational cooperation between states, regions and communities and can thereby be an important tool for the integration of countries in the Danube region. It also helps in establishing tourism products on a sustainable basis, focusing for example on nature, rural areas, viticulture, cycling, river tours and cruises.

Cooperation is a central requirement for sustainable planning and the development of destinations. An important role in the application of the tourism policy for the Danube region could be taken over by existing actors and networks that are based on cooperation.

Common approaches for the protection and sustainable use of natural and cultural heritage as well as resources are determined by the implementation of common strategies. These strategies can be considered as key factors to ensure sustainable development and to avoid usage conflicts (e.g. with natural resource consumption).

Transnational cooperation can be an important asset when developing common orientations, frameworks and tools for the exchange of knowledge and experience among regions. The programme should bring together different stakeholders dealing with the protection of natural and cultural heritage/resources and with wider development strategies in order to develop joint and integrated approaches.

Overall, the main envisaged results are:

- Improved frameworks, capacities and solutions for sustainable tourism development in the Danube region based on protection and sustainable use of natural and cultural heritage and resources, reduction of resource and energy consumption and sustainable mobility management in order to reap multiple benefits in terms of economic development, environmental protection and quality of life.
- Improved strategies and tools for sustainable use of natural heritage and resources for regional development in order to avoid or limit use conflicts (e.g. with tourism, natural resource consumption).

A description of the type and examples of actions to be supported is given in a separate section (according to the model for cooperation programmes).

Investments in the renovation of historical buildings, sites, monuments should only be supported if they are part of an overall economic development strategy. The programme cannot replace national budgets in terms of maintenance of cultural heritage.

The specific objective is measured by a result indicator (composite indicator) which reflects the level of collaboration of key actors in the programme area in order to strengthen sustainable use of natural and cultural heritage and resources. Target is an increasing level of collaboration and more balanced involvement of partner countries. The baseline of the result indicator will be established through a survey among key actors in the programme area.

**Table 12. Programme Specific Result indicators for Specific Objective No 2.1**

Indicator	Measurement Unit	Baseline Value	Baseline Year	Target Value (2023)	Source of data	Frequency of reporting
Level of collaboration of key actors in the programme area in order to strengthen sustainable use of natural and cultural heritage and resources (survey based composite indicator)	Ordinal scale (e.g. 1-10)	Established through a survey among selected key actors	2014	Increasing level of collaboration and more balanced involvement of partner countries	Survey among selected key actors in the field of sustainable tourism and natural resource management	2018, 2023

Remark: The result indicator needs to capture the desired change in the programme area, be close to policy, and not relate only to programme beneficiaries, but to the whole target population. However, result indicators may measure only some of the relevant dimensions of the results to be achieved.

### 2.2.1.2 Actions to be supported under the investment priority 6c

In accordance with the SFC2014 model, the following part provides an overview of the types of actions planned to be supported by the cooperation programme. This overview is complemented by indicative thematic examples.

**The following types of action may be financed under the investment priority**

Development of common orientations, frameworks and strategies, development and practical implementation of transnational tools and services, development and practical implementation of fixed investments (infrastructure, equipment) to finance pilot investments, development and practical implementation of training and capacity building, accompanying information, dissemination and publicity measures.

**The following indicative examples of action should be supported to contribute to specific objective No 2.1 Sustainable use of natural and cultural heritage and resources**

- Improve frameworks and develop joint and integrated solutions for **sustainable tourism (“green tourism”)**, e.g. in the areas of eco-tourism (e.g. sustainable tourist activities in national parks and nature reserves, geo-parks), cycle tourism, agro-tourism, development of new and existing Cultural Routes relevant in the Danube Region (e.g. vine culture, antique Roman culture). Common orientations of transnational offers should be achieved in the areas of tourism, leisure and culture to better develop promising sites, theme paths and joint products with a critical mass and embedded in wider development and growth strategies which contribute to sustainable jobs and growth in a regional dimension.

Common approaches for the protection and sustainable use of natural and cultural heritage as well as resources are determined by the implementation of common strategies. These strategies can be considered as key factors to ensure sustainable development and to avoid fragmented action and conflicts of diverging interests. In the programme context, the development of a marketing strategy – including a common brand – creates an enabling environment for sustainable tourism strategies which is based on natural and cultural heritage and resources valorisation. In this way the development of broad partnership networks incorporating different programmes, central, regional and local administrations and non-governmental organisations, business support centres and mobility networks is an important instrument.

Sustainable preservation of cultural heritage and natural values should be ensured by developing relevant clusters and networks of museums, interpretation and visitors centres within the Danube region.

The visibility of joint activities should be increased through the organisation of different events such as conferences, forums, seminars, platforms and networking meetings in order to improve the recognition and trust among existing partners and to assure the political commitment at all levels

A market perception analysis may be supported with the aim to assess the customer understanding of the Danube region as a consistent tourism destination.

A coordination of strategies and development plans at regional and/or local level should be established in order to achieve a critical mass, economic impact and visibility beyond the local level.

- An integrated aspect of sustainable tourism development addresses the **reduction of energy consumption and CO<sup>2</sup> emissions and resources consumption** (e.g. water) through increased use of renewable energy sources and energy and resource efficiency measures (e.g. “bioenergy” villages with emphasis on small district heating system and heat storage).

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- Another integrated aspect is to improve frameworks and develop joint and integrated solutions to **sustainable mobility management** (e.g. by public transport) as part of destination management and marketing of tourist products. In particular in rural and more peripheral regions the improvement of sustainable transport facilities is a basic asset to support tourism development. Under IP 6c an integrated approach on transport and mobility is envisaged to develop the “last mile” to the destination. Mobility aspects should form an integral part of project approaches and should not be addressed as purely sectoral issues. Special care should be taken to promote eco-tourism and to enhance environmental transport solutions at the same time since an increase in conventional tourism can lead to an increase in the volume of vehicular traffic, which can cause a multitude of negative environmental impacts.
  - Development and practical implementation of **education, training and capacity building** to support quality tourism, eco-tourism and environmental transport solutions
  - Support the implementation of a harmonized **monitoring system** dedicated to tourism able to provide complete and comparable statistical data in the Danube regions
  - Support activities in the fields of **multiculturalism, cultural exchange** and the establishment of connections on field of creative industry in order to increase cultural diversity. Raise the awareness on the benefits of cultural diversity in the Danube Region in order to make advantages on cultural diversity of the Danube Region and dissolve antipathies inherited from the past.
  - Support joint strategies for the **management and protection of natural resources** including the access of the mineral raw materials in close relation and interaction with nature conservation areas and cultural heritages should be developed. For more effective sustainable mineral raw materials planning these factors should be considered together and based on the state of the recent situation joint guidance and joint vision should be developed in the partner countries in co-operation of stakeholders (authorities, industry, researchers, NGO's).
  - Support **risk management plans** for cultural and natural heritage sites exposed to climate change

### 2.2.1.3 Main target groups and types of beneficiaries supported under the investment priority

Beneficiaries are according to their **legal form** local, regional and national public authorities/institutions, bodies governed by public law, international organisations and private bodies.

Beneficiaries comprise according to their **thematic scope** among others local, regional and national public authorities and organisations established and managed by public authorities responsible for environmental, tourist and cultural issues, sectoral agencies (e.g. regional development agencies), tourist operators, tourist information centres (points), regional tourism boards and museums, research and development institutions, universities with research facilities, business support organisation (e.g. chamber of commerce, business innovations centres), higher education, education/training centre and school, private enterprises including SME and EGTC.

**2.2.1.4 Specific territories targeted under the investment priority**

No specific focus areas are defined. The entire programme area is eligible.

**2.2.1.5 The guiding principles for the selection of operations under the investment priority**

In addition to the general principles described in section 5.3 the following theme specific principles should be considered in the selection of operations:

- Link to a shared policy framework in order to avoid fragmented action and reach a critical mass
- Link to environment and resource efficiency to make the tourism activities more environmentally friendly
- Sound economic rationale and clear concept of how the project would be sustainable.

**2.2.1.6 Common and specific output indicators (by investment priority)**

**Table 13. Common and programme specific output indicators (by IP)**

<b>Indicator (name of indicator)</b>	<b>Measurement unit</b>	<b>Target value (2023)</b>	<b>Source of data</b>	<b>Frequency of reporting</b>
No of jointly developed major products & services related to SO 2.1 (P)	Number	x	Monitoring system	yearly
Increase in expected number of visits of supported sites of cultural and natural heritage and attractions (EU)	Number visits per year	x	Monitoring system	yearly

(EU): EU common indicator (P): Programme specific indicator

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**2.2.2 Investment priority 6d) Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure**

**2.2.2.1 Specific objective No 2.2 Restoring and managing ecological corridors**

**Strengthen effective approaches to preservation, restoring and management of large-scale bio-corridors and wetlands to contribute to the better conservation status of ecosystems of European relevance.**

Against the background that only a small proportion of the habitats and species of Community interest (e.g. Natura 2000 areas) are in a favourable conservation status in the Danube region the programme pursues an integrated approach to tackle common challenges in green infrastructure development in combination with risk management and climate change adaption.

Transnational action programme can contribute – in line with the EU strategy for Green Infrastructures (2013) – to improved interlinking of natural habitats which is of great importance for the sustainment of a functional ecological network.

Preserving wildlife corridors ranks among the most important strategies to preserve biodiversity, which enlarges the strategy for the conservation of explicitly protected areas. Interlinking of natural habitats and wildlife corridors by reduction of barriers (e.g. through “green bridges” over transport infrastructures), improvement of land and water management and nature protection; improvement of spatial planning and of the policy framework.

Focus should be given on large-scale bio-corridors such as Mura-Drava-Danube Transboundary Biosphere reserve, habitat conditions along the Danube River and other key green infrastructures including the Danube Delta (the largest the second largest river delta in Europe, after Volga Delta). Support should target protected areas and their relevant adjacent areas.

Overall, the main envisaged results are:

- Improved strategic frameworks and developed concrete solutions to restore, conserve and improve a network of green infrastructures/ large-scale bio-corridors in the Danube region consisting of natural and semi-natural habitats to help reduce the fragmentation of ecosystems and improving the connectivity between sites in the Natura 2000 network in order to ensure biodiversity.

This could be achieved through improving the knowledge base and build up a consistent and reliable data information sources, restoration and revitalisation of sensible landscapes and rivers, integrated management of habitats, protection and re-colonisation of (flagship) species, control of invasive species, raising awareness on sustainable land use and soil protection, mitigating the negative effects of land uptake and fragmentation. Last but not least promoting of awareness-raising and environmental education can be part of wider project action.

The specific objective is measured by a result indicator (composite indicator) which reflects the level of collaboration of key actors in the programme area in order to foster restoration and management of large scale ecological corridors. Target is an increasing level of collaboration and more balanced involvement of partner countries.

The baseline of the result indicator will be established through a survey among key actors in the programme area.

**Table 14. Programme Specific Result indicators for Specific Objective No 2.2**

Indicator	Measurement Unit	Baseline Value	Baseline Year	Target Value (2023)	Source of data	Frequency of reporting
Level of collaboration of key actors in the programme area in order to foster restoration and management of large scale ecological corridors (survey based composite indicator)	Ordinal scale (e.g. 1-10)	Established through a survey among selected key actors	2014	Increasing level of collaboration and more balanced involvement of partner countries	Survey among selected key actors in the field of nature protection/ environmental authorities	2018, 2023

Remark: The result indicator needs to capture the desired change in the programme area, be close to policy, and not relate only to programme beneficiaries, but to the whole target population. However, result indicators may measure only some of the relevant dimensions of the results to be achieved.

#### 2.2.2.2 Specific objective No 2.3: Transnational water management and flood risk prevention

**Strengthen joint and integrated approaches to further develop and implement River Basin Management Plans in the Partner States in line with the overall Danube River Basin Management Plan in order to improve transnational water management and flood risk prevention.**

Investments to creating and/or maintaining ecological corridors along major river systems as it is planned under the SO 2.2 is directly interlinked with water management and the control of environmental risk factors such as climate change and flood risks. Accordingly the programme targets investment in green infrastructure (which contributes to protecting and restoring biodiversity and the provision of ecosystem services<sup>4</sup>) in an **integrated way** with the protection against floods and increase of water quality and availability.

The EU water policy is largely based on the Water Framework Directive that includes the key element of the River Basin Management Plans (RBMPs). They are a detailed account of how the objectives set for the river basin (ecological status, quantitative status, chemical status and protected area objectives) are to be reached within the timescale required.

Hence the RBMP's provide the overall context for water management in the Danube region including gaps, measures and objectives. In this respect the investments of the programme should take place within the context of the relevant RBMPs.

The **Danube River Basin Management Plan (DRBMP)** guides the way to achieving at least good status for all waters of the Danube River Basin. The current plan covers the period from 2009 until 2015. In the Danube River Basin District, all countries (including

<sup>4</sup> According to Millennium Ecosystem Assessment (2005) Ecosystem services are defined as production of food and water, control of climate and disease; supporting nutrient cycles and crop pollination; and cultural and recreational benefits.

non-EU member countries) have been working on their national management plans. As these plans need to be established for each river basin (national RBM Plans), the countries are also cooperating on the international level. They use the ICPDR Secretariat (International Commission for the Protection of the Danube River) as a platform to discuss and agree on the transboundary aspect of the management of the water resources. With the forthcoming planning period all tools for the creation of a new and updated generation of RBMP's under a common umbrella have to be prepared which is a major challenge for all partner regions. The ICPDR is currently developing the second management plan for the Danube River Basin for the period between 2015 and 2021. This plan aims to further protect and enhance the status of all waters and to ensure the sustainable, long-term use of water resources.

Furthermore based on the EU Floods Directive and in response to the frequent danger of flooding in the Danube river basin (2002, 2005, 2006, 2009, 2010 and 2013) ICPDR Secretariat is engaged in developing the **Danube Flood risk management plan** which has to be finalized until end of 2015 and which is strongly interlinked with the DRBM Plan.

Accordingly the Danube River Basin Management Plan (to be updated until end of 2015) and the Danube Flood Risk Management Plan (to be finalized until end of 2015) are key tools for the adaptation of the water sector to climate change, including the issue of water scarcity and droughts (see the ICPDR Strategy on Adaptation to Climate Change, 2012).

Transnational action can serve to tackle poor governance and knowledge gaps in the development of integrated national RBM Plans in line with the overall DRBMP. It can for instance provide data and evidence base for these plans and harmonise national actions and measures.

Overall, the main envisaged results are:

- Better integrated plans and developed solutions to further protect and enhance the status of all waters and to ensure the sustainable, long-term use of water resources in the Danube river basin strongly interlinked with sound flood risk management.

A description of the type and examples of actions to be supported is given in a separate section (according to the model for cooperation programmes).

The specific objective is measured by a result indicator (composite indicator) which reflects the level of collaboration of key actors in the programme area in order to improve transnational water management and flood risk prevention. Target is an increasing level of collaboration and more balanced involvement of partner countries.

**Table 15. Programme Specific Result indicators for Specific Objective No 2.3**

Indicator	Measurement Unit	Baseline Value	Baseline Year	Target Value (2023)	Source of data	Frequency of reporting
Level of collaboration of key actors in the programme area in order to improve transnational water	Ordinal scale (e.g. 1-10)	Established by a survey	2014	Increasing level of collaboration and more	Survey among selected key actors in the field of water managements	2018, 2023

Indicator	Measurement Unit	Baseline Value	Baseline Year	Target Value (2023)	Source of data	Frequency of reporting
management and flood risk prevention (survey based composite indicator)				balanced involvement of partner countries	and risks / environmental authorities; ICPDR Secretariat	

Remark: The result indicator needs to capture the desired change in the programme area, be close to policy, and not relate only to programme beneficiaries, but to the whole target population. However, result indicators may measure only some of the relevant dimensions of the results to be achieved.

### 2.2.2.3 Specific objective No 2.4 Preparedness for disaster risk management

**Establish a more effective governance system for emergency situations and improve the preparedness of public authorities and civil protection organisation to better manage natural and climate change related risks (such as floods, forest fires, landslide, land erosion, earthquakes) and manmade risks (e.g. industrial accidental river pollution).**

Risk prevention policies are addressed under the specific objectives 2.2 and 2.3 whereas specific objective 2.4 is targeting disaster management (risk management) related to risks that are caused by non-functioning ecosystems and man-made changes in climate conditions and other risk factors are endangering the human and natural habitats of the region, such as industrial accidents.

Disaster prevention/management and adaptation to climate change is largely related to security and emergency issues which are mainly in the hands of public authorities at all levels. Furthermore civil protection organisation based on volunteers form the backbone of disaster management.

The main role of a cooperation programme is to facilitate professional emergency response services at all level in order to respond to major national and international emergencies. Institutional and technical capacity for emergency situations should be strengthened through collaborative solutions between different authorities. Good practice related to the delivery of public services should be promoted and exchange of experience/networking of public and private entities providing public services, encouraged. This should lead to the development of modern management systems and tools.

Investing in prevention and preparedness should complement Member State and Commissions initiatives (e.g. by DG Humanitarian Aid and Civil Protection) in disaster prevention.

Cooperation across regions and Member States should deal with transnational spill over effects, in particular in relation to flood protection, forests fires, droughts and water scarcity and manmade risks with impact across regions.

The programme should target the whole disaster management cycle (response-recovery-mitigation-preparedness) cycle in which the prevention policies have a high priority. Mutual capacity-building and knowledge transfer should be the guiding principle of this specific objective.

The disaster risk assessment should both cover single-risk and multi-risks as it is important to analyse the negative synergies of the natural disasters. Looking at and simulating cascading effects will help Danube region authorities and stakeholders to better understand the nature and the aggregate impacts of disasters.

Overall, the main envisaged results are:

- Improved strategic and operational cooperation and interoperability among the emergency response authorities and stakeholders at all levels in the Danube countries. This includes the development of joint strategies and action plans for more effective management of natural and climate change related and manmade disasters; building up a common knowledge base and data observation capacities, and mechanisms for the exchange of information; joint development of tools, development and practical implementation of education, training and capacity building.

A description of the type and examples of actions to be supported is given in a separate section (according to the model for cooperation programmes).

The specific objective is measured by a result indicator which reflects the preparedness to manage risks of transnational dimension in terms of the status of development of joint strategies, action plans and tools. The baseline of the result indicator is established through a survey.

The specific objective is measured by a result indicator (composite indicator) which reflects the level of collaboration of key actors in the programme area in order to improve preparedness for disaster risk management. Target is an increasing level of collaboration and more balanced involvement of partner countries.

**Table 16. Programme Specific Result indicators for Specific Objective No 2.4**

Indicator	Measurement Unit	Baseline Value	Baseline Year	Target Value (2023)	Source of data	Frequency of reporting
Level of collaboration of key actors in the programme area in order to improve preparedness for disaster risk management (survey based composite indicator)	Ordinal scale (e.g. 1 - 10)	Established through a survey among selected key actors	2014	Increasing level of collaboration and more balanced involvement of partner countries	Survey among selected key actors in the field of risk management / environmental authorities; ICPDR Secretariat	2018, 2023

Remark: The result indicator needs to capture the desired change in the programme area, be close to policy, and not relate only to programme beneficiaries, but to the whole target population. However, result indicators may measure only some of the relevant dimensions of the results to be achieved.

#### 2.2.2.4 Actions to be supported under the investment priority 6d

In accordance with the SFC2014 model, the following part provides an overview of the types of actions planned to be supported by the cooperation programme. This overview is complemented by indicative thematic examples.

**The following types of action may be financed under the investment priority**

Development of common orientations, frameworks and strategies, development and practical implementation of transnational tools and services, development and practical implementation of fixed investments (infrastructure, equipment) to finance pilot investments, development and practical implementation of training and capacity building, accompanying information, dissemination and publicity measures.

**The following indicative examples of action should be supported to contribute to specific objective No 2.2 Restoring and managing ecological corridors**

- Support **strategic frameworks and develop concrete solutions** to restore, conserve and improve a network of green infrastructures/ large-scale bio-corridors in the Danube region consisting of natural and semi-natural habitats to help reduce the fragmentation of ecosystems and improving the connectivity between sites in the Natura 2000 network.
- **Improve the knowledge base and build up consistent and reliable data information sources:** Support joint accompanying research and evaluation activities including development of advanced tools for mapping, diagnosing, protecting and managing natural landscapes. Support joint efforts to improved mapping of ecosystems, monitoring of their changes, basic drivers, land use changes and their impact on biodiversity. It should be (further) investigated how future climate change will impact habitat conditions and thus the potential occurrence of animal and plant species. In addition, the influence of non-native and invasive species on protected and threatened species has not yet been evaluated in detail in the Danube Region.
- Promote **interlinking of natural habitats and wildlife corridors** by reduction of barriers, re-connection of adjacent floodplains/wetlands, improvement of land and water management and nature protection; improvement of spatial planning and of the land use policies. The programme should contribute to the restoration and revitalisation of sensible landscapes and rivers and build up a network of protected areas along the Danube river. Awareness on sustainable land use and soil protection should be raised. Taking into account the management of land devoted to agriculture and forestry has a major impact on the condition of habitats. Moreover integrating ecological and sustainability concerns into spatial planning is of pivotal interest to loosen up the pressure of urbanisation to agricultural, forest and other semi natural areas and to keep or to improve the quality of natural and living environment, protecting soil and green corridors between different settlements in the Danube area. Sustainable land use and soil protection are key components of the EU's natural resources since each year, large territories are subject to land-take for housing, industry, roads or recreation.
- Support **integrated management** of habitats, the protection of (flagship) species, and control of invasive species.
- Promote an **integrated approach** to better coordinate environmental interest with flood protection and the further expansion of inland navigation and transport infrastructure by establishing multi-sectoral partnerships (stakeholder networks). Develop planning and pilot measures to harmonize flood protection and rehabilitation of river systems. Enhancing effective visitor management of protected areas.

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- Promote awareness-raising and **environmental education** as part of wider project action.
  - **Concrete examples** of actions to be considered are (indicative):
    - Establish the Mura-Drava-Danube Transboundary Biosphere reserve
    - Improve the habitat conditions along the Danube River to secure a viable population of Danube sturgeon species and other indigenous fish species (“Sturgeon 2020 strategy”) including joint promotion to establish fish passes at the Iron Gate.
    - Elaborate a master plan for the “Living Space Danube” focussing on habitat networking, floodplain forests, and agriculture in Danube floodplains with the overall aim to restore and improve the ecological status of the Danube floodplains
    - Support the “citizen science”. Citizen science is defined as organised research consisting of scientific, educational and societal actors. It is a new strategic approach, which could enhance and improve the knowledge of policies on biodiversity in the Danube Region activating initiatives of collaboration and active engagement of civil society. These initiatives are a means for the collection of data potentially of high scientific value, and at the same time a useful means of providing scientifically sound information to the general public, involving them in a conscious way in the activities of biodiversity conservation.

**The following indicative examples of action should be supported to contribute to specific objective No 2.3 Transnational water management and flood risk prevention**

- Raised awareness on the implementation of the most appropriate techniques and environmental practices including the further improvement of waste treatment efficiency and treatment level. To give an example, the urban waste water treatment directive (91/271 EEC) relegates the wastewater treatment issue of settlements (agglomerations) below 2000 P.E. (small municipalities) to the competence of Member States, without any specification of the implementation deadline. However, according to the Water Framework Directive (2000/60/EC), the Member States should provide to decrease the pollution load on their natural surface waters and groundwater in order to maintain or reach the good ecological/chemical status of them, respectively. While the pollution load must be taken into consideration, the small settlements should be provided with proper waste water solution. Because of special conditions of small settlements the traditional, centralized sewerage and wastewater treatment is not a cost effective solution in most cases. Therefore it is necessary to develop, demonstrate, implement and spread as alternative solution and good practice the decentralized wastewater treatment solutions, which is also suitable to reduce the manmade risks in the small municipalities’ environment.
- Better integrated policies for the reduction of the total amount of pollution (e.g. nutrients and hazardous substances) entering the Danube river basin. Joint monitoring of ecological and chemical status and joint development of measures to improve water quality and ecological status.

- Better integrated policies to prevent deterioration of groundwater quality and the concentrations of pollutants in groundwater. Support sound groundwater management and over abstraction of groundwater-bodies.
- In the field of agriculture increase of irrigation is necessary in order to improve local food supply, to cope with the effects of climate change and support the local economy. The conflicts with other water users and nature protection seems inevitable. Innovative measures, different management practices such as improved coordination and dialogue among different water (or other resources) should be promoted and supported by the programme.
- More effective information sharing, mutual learning to sustainable approach for managing the risks of floods to protect human life and property, while encouraging conservation and improvement of water related ecosystems. Joint management of flood risks could include improvement of flood forecasting and early flood warning system; support for the coordination and implementation of flood action plans.
- Building awareness for joint action and facilitate the exchange of good practice (e.g. communication to the public and specific target groups)
- Development and practical implementation of education, training and capacity building to support sound water management.

**Type and examples of action to be supported to contribute to specific objective**  
**2.4 Preparedness for disaster risk management**

- **Development of joint strategies and action plans for risk management:** strengthening the operational cooperation and interoperability among emergency response authorities in the Danube countries; improvement of professional emergency response strategies, plans and capacities at local and national level in order to respond to major national and international emergencies, including transnational cooperation in the framework of the Danube region.
- **Building up a common knowledge base and data observation capacities, and mechanisms for the exchange of information:** support risk mapping and updating the existing database of accident risk spots (ARS Inventory), contaminated sites and sites used for the storage of dangerous substances; coordination of documentation of natural hazard events and consequences; coordinated efforts in making future scenarios for risk management, outline the expected consequences of climate change in the region and develop integrated actions for adaptation to these consequences (based on the ICPDR Strategy on Adaptation to Climate Change 2013)<sup>5</sup>; establishment of discussion platforms in the topic of climate adaptation and disaster risk reduction in the area (in the form of a recurring annual workshop/conference/discussion platform).
- **Joint development of tools:** developing modern management systems and tools for increasing performance in public institutions at all levels; developing a rapid response procedures and plans in case of industrial accidental river pollution; establishing standardized operational procedures for joint activities in case of trans boundary technical-technological water traffic accidents.
- **Development and practical implementation of education, training and capacity building** to support sound risk management. Ensure training for

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<sup>5</sup> <http://www.icpdr.org/main/activities-projects/climate-change-adaptation>

specialist personnel in accordance with EU standards; educational programmes for emergency and disaster management officials.

- As a specific issue collaboration should be improved to eliminate **unconventional explosive and incendiary devices as well as hazardous ammunition** and handling of dangerous goods and possible accidents involving hazardous.

#### 2.2.2.5 Main target groups and types of beneficiaries supported under the investment priority

Beneficiaries are according to their **legal form** local, regional and national public authorities/institutions, bodies governed by public law, international organisations and private bodies.

Beneficiaries comprise according to their **thematic scope** among others local, regional and national public authorities and organisations established and managed by public authorities responsible for environmental issues, infrastructure and (public) service provider (e.g. for water supply), interest groups including NGOs (e.g. international organisation, environmental organisations, voluntary association, etc.), research and development institutions, universities with research facilities, higher education, education/training centre and school, EGTC.

#### 2.2.2.6 Specific territories targeted under the investment priority

No specific focus areas are defined. The entire programme area is eligible.

#### 2.2.2.7 The guiding principles for the selection of operations under the investment priority

In addition to the general principles described in section 5.3 the following theme specific principles should be considered in the selection of operations:

- Clearly integrated approach and establishment of multi-sectoral partnerships
- Closely looking at synergies with Horizon 2020, the new LIFE programme and Prioritised Action Frameworks (PAFs)
- Coherence with the ICPDR Strategy on Adaptation to Climate Change (2013), 2nd DRBM Plan (Danube River Basin Management Plan, currently under development) and the 1st DFRM Plan (Danube Flood Risk Management Plan, currently under development).

#### 2.2.2.8 Common and specific output indicators (by investment priority)

Table 17. Common and programme specific output indicators (by IP)

Indicator (name of indicator)	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
No of jointly developed major products & services related to SO 2.2 (P)	Number	x	Monitoring system	yearly
No of jointly developed major products & services related to SO	Number	x	Monitoring system	yearly

Indicator (name of indicator)	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
2.3.(P)				
No of jointly developed major products & services related to SO 2.4 (P)	Number	x	Monitoring system	yearly
Surface area of habitats supported in order to attain a better conservation status (EU)	Hectares	x	Monitoring system	yearly
Population benefiting from flood protection measures (EU)	Number	x	Monitoring system	yearly

(EU): EU common indicator (P): Programme specific indicators

## 2.2.3 Provisions at priority axis level

### 2.2.3.1 Performance framework by priority axis

Table 18. The performance framework of the priority axis

Priority axis	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data
2	Financial indicator	Share of certified expenditure on Priority Axis 2 allocation	%	X%	100%	CA
2	Key implementation step	No of contracted projects in Priority axis 2	Number			MA (monitoring system)
2	Output indicator	No of jointly developed major products & services related to SO 2.1 (IP 6c)	Number			MA (monitoring system)
2	Output indicator	No of jointly developed major products & services related to SO 2.2 (IP 6d)	Number			MA (monitoring system)
2	Output indicator	No of jointly developed major products & services related to SO 2.3 (IP 6d)	Number			MA (monitoring system)
2	Output indicator	No of jointly developed major products & services related to SO 2.4 (IP 6d)	Number			MA (monitoring system)

### 2.2.3.2 Categories of intervention by priority axis

**Table 19. Dimension 1 Intervention field (breakdown of Union support)**

Priority axis	Code	Amount (EUR)
2	91 Development and promotion of the tourism potential of natural areas	
2	94 Protection, development and promotion of public cultural heritage assets	
2	95 Development and promotion of public cultural and heritage services	
2	21 Water management and drinking water conservation (including river basin management, water supply, specific climate change adaptation measures, district and consumer metering, charging systems and leak reduction)	
2	85 Protection and enhancement of biodiversity, nature protection and green infrastructure	
2	86 Protection, restoration and sustainable use of Natura 2000 sites	
2	87 Adaptation to climate change measures and prevention and management of climate related risks e.g. erosion, fires, flooding, storms and drought, including awareness raising, civil protection and disaster management systems and infrastructures	
2	88 Risk prevention and management of non-climate related natural risks (i.e. earthquakes) and risks linked to human activities (e.g. technological accidents), including awareness raising, civil protection and disaster management systems and infrastructures	

**Table 20. Dimension 2 Form of finance (breakdown of Union support)**

Priority axis	Code	Amount (EUR)
2	01 non-repayable grant	

**Table 21. Dimension 3 Territory type (breakdown of Union support)**

Priority axis	Code	Amount (EUR)
2	00 Not applicable	

**Table 22. Dimension 6 Territorial delivery mechanisms (breakdown of Union support)**

<b>Priority axis</b>	<b>Code</b>	<b>Amount (EUR)</b>
2	00 Not applicable	

**A summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries and, where necessary, actions to enhance the administrative capacity of relevant partners to participate in the implementation of programmes (where appropriate)**

Not applicable

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## 2.3 Priority axis 3: Better connected Danube region

### 2.3.1 Investment priority 7c) Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility

#### 2.3.1.1 Specific objective No 3.1 Environmentally-friendly and safe transport systems

**Improve planning, coordination and practical solutions for an environmentally-friendly and safer transport network and services in the programme area and ensure balanced accessibility of urban and rural areas to TEN-T infrastructure.**

In general, there is a gap in transport infrastructure quality and safety from the western to the eastern countries of the Danube region. This is true for roads, railroads, ports and airports, with only a few exceptions.

In addition to the existing problems, future development of transport brings about significant challenges for the region. It is expected that transport in the Danube region will increase over the next years. Economic growth has gone and will also in future go hand in hand with massive growth of transportation. The current trend is a massive growth of road transportation which increases energy consumption and environmental pollution.

Transport policy is required to channel the growing demand into sustainable mode of transportation, Under the EUSDR the development of an intermodal strategy for transport and mobility is pursued under the Priority Areas 1a and 1b in order to tackle the dynamic growth of cross border freight traffic. This includes the further development of the Danube waterways and of intermodal hubs. The Danube river is underutilized and has a large potential to create sustainable transportation in the future.

In principle waterborne transport has the potential to manage parts of the growing transport volume. However, the quality of the Danube river shipping and its ports as multimodal hubs needs vast improvements. But increasing ship traffic will increase local ecological problems of the Danube River and its surroundings. Therefore fully exploit the economic potential of the Danube River as transport route and at the same time keep its ecological balance intact poses a specific challenge.

Besides the major pathways, the Danube Region faces important accessibility problems especially for the areas situated outside the designated corridors. The connectivity of these regions to the TEN-T networks through the secondary and tertiary nodes is of special importance for ensuring the conditions for quality of life and economic growth in the area.

Transnational action should complement (and not duplicate) initiatives on the part of the Connecting Europe Facility and by the EUSDR Priority Areas 1a and 1b and envisages the following results:

- Contribute to the development of an **integrated transport vision** for the Danube region which targets a comprehensive, mutually inter-connected and interoperable transport system.
- Better integrated policies and practical solutions to further developing **waterways** while limiting negative impacts of the transport systems on the Danube ecosystem.
- Improving coordination and trans-nationally integration among transport stakeholders to further develop **multimodal hubs, terminals and links**.
- Contribute to a **more safe transport network**.
- Contribute to a better **organisation of public transport links in functional urban and rural areas and contribute to a better connectivity to TEN-T**.
- Improved planning and coordination of urban, interurban and cross-border **bicycle routes** in the Danube region.

A description of the type and examples of actions to be supported is given in a separate section (according to the model for cooperation programmes).

The specific objective is measured by a result indicator (composite indicator) which reflects the level of collaboration of key actors in the programme area in order to strengthen environmentally-friendly, safe and balanced transport systems. Target is an increasing level of collaboration and more balanced involvement of partner countries.

**Table 23. Programme Specific Result indicators for Specific Objective No 3.1**

Indicator	Measurement Unit	Target Value	Baseline Year	Target Value	Source of data	Frequency of reporting
Level of collaboration of key actors in the programme area in order to strengthen environmentally-friendly, safe and balanced transport systems (survey based composite indicator)	Ordinal scale, (e.g. 1-10)	Established through a survey among selected key actors	2014	Increasing level of collaboration and more balanced involvement of partner countries	Survey among selected key actors linked to the field of transport	2018, 2023

Remark: The result indicator needs to capture the desired change in the programme area, be close to policy, and not relate only to programme beneficiaries, but to the whole target population. However, result indicators may measure only some of the relevant dimensions of the results to be achieved.

### 2.3.1.2 Actions to be supported under the investment priority 7c

In accordance with the SFC2014 model, the following part provides an overview of the types of actions planned to be supported by the cooperation programme. This overview is complemented by indicative thematic examples.

#### **The following types of action may be financed under the investment priority**

Development of common orientations, frameworks and strategies, development and practical implementation of transnational tools and services, development and practical

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implementation of fixed investments (infrastructure, equipment) to finance pilot investments, development and practical implementation of training and capacity building, accompanying information, dissemination and publicity measures.

**The following indicative examples of action should be supported to contribute to specific objective No 3.1 Environmentally-friendly and safe transport systems.**

- Contribute to the development of **integrated transport visions** for the Danube region. Improving coordination and trans-nationally integration among transport stakeholders for better governance and management of environment-friendly transport corridors. Establishing platforms which help to gather financing, planning and operating further emission reducing and energy efficient freight and passenger transport. It is important to build a **comprehensive, mutually inter-connected transport system**. That means that the lower-level transport routes should be connected to the TEN-T system. Concrete examples of actions to be considered are:
  - A Common Transport Vision for the Danube Region
  - The Danube Region Intermodal Strategy
  - The Danube Region Air Transport Development
  - The Western Balkans Corridor linking the EU and non-EU member states of the Danube region
  - Innovative intermodal technological solutions for small countries
- Better integrated policies and practical solutions to further develop **waterways**. Exchanging and transferring know-how and good practice in the scope of waterway infrastructure, waterway maintenance and management, fleet modernisation or port (infrastructure) development, including the promotion of funding possibilities such as the forthcoming Connecting Europe Facility 2014-2020 or national Operational Programmes for Transport co-funded by the ERDF. The further development of waterway infrastructure & maintenance includes sediment management at the river Danube; provision of data and information regarding the Danube waterway for logistic users (i.e. monitoring system for shallow sections, hydrologic data for logistics use, RIS data for logistics use); identification of potential cargo for Danube Navigation including targeted market observations; Business-to-Business platforms for sector- and region-specific potentials in Danube Navigation, prevention of pollution from ships navigating inland waterways.
- Contribute to more effective information sharing, dialogue and integrated approaches to **limit impacts of transport systems on the Danube ecosystem**. Sustainable solutions required taking into account the environmental legislation and promoting the inter-sectoral cooperation. Establish more effective cooperation between waterway administrations and Protected Area administrations, to review and revise existing plans for waterway infrastructure to be built, or to be integrated in the planning process for new waterway improvements from the very beginning.
- Improving coordination and trans-nationally integration among transport stakeholders to further develop **multimodal hubs, terminals and links**. Support the development of efficient multimodal terminals at Danube river ports and dry ports to connect inland waterways with rail and road transport. Exchange of

knowledge in port (hub) infrastructure development, identification of new markets and cargo flow, encourage modal shift from road to waterway (Danube), support the cooperation of multimodal terminals alongside the Danube. Improving efficiency of cross-border movements of cargo on the external EU-borders by tackling administrative and fiscal barriers. Harmonising technical, safety, legal, organisational and other aspects of various transport modes and networks.

- Contribute to a **more safe transport network**. In particular poor and unsafe road infrastructure is a major bottleneck to development in the Danube region. Quality and safety level of these roads varies from good to very poor resulting in deaths and serious injuries in road traffic. Moreover vulnerable road users demand the same safety standards. Improve frameworks. Develop concrete solutions and provide the training, technology and reporting tools to build and sustain national, regional and local capabilities and share experience and knowledge of effective road safety programmes in the region.
- Contribute to a better **organisation of public transport links in functional metropolitan areas and rural areas**. Exchanging and transferring know-how and good practice for better organisation of public transport links in functional areas (e.g. by transport associations), mobility management, on demand public transport, promoting cycle and pedestrian traffic, e-mobility, road safety including pilot investments. Support the preparation of investments in mobility centres and bus terminals. The topic of accessibility regarding rural areas should also be highlighted. Better management of regional mobility should ensure that urban and rural areas benefit from the opportunities created by the major transportation networks which are developed through the Connecting Europe facility.
- Joint planning and development of urban, interurban and cross-border **bicycle routes** in the Danube region. Support of multimodal bicycle tourism: bicycle tourism is booming - especially along rivers - and also due to the boom of e-bike. The Danube offers the unique possibility of combining bicycling with travelling by boat. Projects should cover cross-border multimodality including rail and including addressing organisational and logistic barriers. Joint build-up and marketing of Eurovelo 6 and Eurovelo 13 routes. Both routes connect numerous cities and many cultures. Projects should connect these cities and foster exchange and cooperation between them in the field of bicycle policies - highlighted through joint marketing, benchmarking, corporate design. Projects should strengthen city co-operations to foster Urban Mobility Plans and cycle logistics.

### **2.3.1.3 Main target groups and types of beneficiaries supported under the investment priority**

Beneficiaries are according to their **legal form** local, regional and national public authorities/institutions, bodies governed by public law, international organisations and private bodies.

Beneficiaries comprise according to their **thematic scope** among others local, regional and national public authorities and organisations established and managed by public authorities responsible for transport and economic development, infrastructure and (public) service provider (e.g. for public transport), Public and private logistics and public transport operators, interest groups including NGOs (e.g. international

organisation, environmental organisations, voluntary association, etc.), business support organisation (e.g. chamber of commerce, business innovations centres), research and development institutions, universities with research facilities, higher education, education/training centre and school, EGTC.

#### 2.3.1.4 Specific territories targeted under the investment priority

No specific focus areas are defined. The entire programme area is eligible.

#### 2.3.1.5 The guiding principles for the selection of operations under the investment priority

In addition to the general principles described in chapter 5 the following theme specific principles should guide the selection of operations:

- Action should clearly be part of transnational management approaches

#### 2.3.1.6 Common and specific output indicators (by investment priority)

Table 24. Common and programme specific output indicators (by IP)

Indicator (name of indicator)	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
No of jointly developed major products & services related to SO 3.1 (P)	Number	x	Monitoring system	yearly

(EU): EU common indicator (P): Programme specific indicator

**2.3.2 Investment priority 7e) improving energy efficiency and security of supply through the development of smart energy distribution, storage and transmission systems and through the integration of distributed generation from renewable sources**

**2.3.2.1 Specific objective No 3.2 Improve energy security and energy efficiency**

**Contribute to the energy security and energy efficiency of the region by supporting the development of joint regional storage and distribution solutions and strategies for increasing energy efficiency and renewable energy usage.**

Energy is a typical issue in which a transnational approach is essential in order to ensure the security of supply of the countries, market integration and more effective regional planning, as well as to jointly identify the most critical infrastructure developments.

Danube countries (both EU member states and non-members) are increasingly dependent on the import of primary energy sources - mainly gas and oil - and these imports are often imported exclusively from one source.<sup>6</sup> Domestic production of fossil fuels (oil, gas, coal, uranium) coming from conventional sources is insufficient and in decline, while the development of renewable energy resources is generally still underdeveloped (with the exception of Austria and Germany).

Most of the power and heat generation facilities in the region were built four decades ago and are obsolete, inefficient and highly pollutant. A large part of the region's energy transportation and distribution infrastructure (pipelines, power lines, etc.) have reached and even exceeded their life expectancy and need major replacement.

Moreover there is a general lack of cooperation in the energy field among the Danube region countries and the absence of functional regional energy markets.

Most of the national energy transportation networks in the Danube region have few interconnections and most of them are not bi-directional (do not allow reversible energy flows), which makes them vulnerable to supply crises (e.g. Russian-Ukrainian gas transit conflict). The Balkan countries of the Danube region still have relatively low energy efficiency in all sectors of the economy: from industry to household energy consumption.

As a first tangible result EUSDR/ Priority Area 2 (Sustainable energy) implementation a gas market model was developed and introduced at several events, such as the 7th Gas Forum of the Energy Community, and directly channelled to the North-South Gas Working group. The Model is highly appreciated by all relevant experts and institutions as a tool which is able to measure the transnational spill-over effects of gas infrastructure projects and project packages. The model was able to identify the six most crucial gas infrastructure projects of the Danube Region. Based on the experience gained in this first successful initiative, further steps should be taken to improve policy coordination in the Danube region within the wider context of EU energy policy-making.

Furthermore, the Danube region is still in the early stages of the actual deployment of smart distribution systems. All regions will have to invest a significant amount of ERDF funding in sustainable energy, including renewable energy sources (RES), energy

<sup>6</sup> See Svetla Boneva, 2011, The Danube Strategy and the Energy security of the Danube macro region

efficiency and smart grids. Smart grids can manage direct interaction and communication among consumers, households or companies, other grid users and energy suppliers. Moreover smart grids will be the backbone of the future decarbonised power system. They will enable the integration of RES and electric vehicles while maintaining availability for conventional power generation and power system adequacy. Transnational action should contribute to developing a Danube Region Smart Grid Concept.

Overall, the main envisaged results are:

- Improved information sharing and practical coordination of regional energy planning to achieve effective energy distribution and storage, diversification of energy sources including promotion of all kinds of renewable energy sources and more energy efficiency in order to contribute to the security of energy supply.

A description of the type and examples of actions to be supported is given in a separate section (according to the model for cooperation programmes).

The specific objective is measured by a result indicator (composite indicator) which reflects the level of collaboration of key actors in the programme area in order to contribute to energy security and energy efficiency. Target is an increasing level of collaboration and more balanced involvement of partner countries.

**Table 25. Programme Specific Result indicators for Specific Objective No 3.2**

Indicator	Measurement Unit	Baseline Value	Baseline Year	Target Value <sup>7</sup>	Source of data	Frequency of reporting
Level of collaboration of key actors in the programme area in order to contribute to energy security and energy efficiency (survey based composite indicator)	%	Established through a survey among selected key actors	2014	Increasing level of collaboration and more balanced involvement of partner countries	Survey among selected key actors linked to the field of energy policy, Joint Research Centre	2018, 2023

Remark: The result indicator needs to capture the desired change in the programme area, be close to policy, and not relate only to programme beneficiaries, but to the whole target population. However, result indicators may measure only some of the relevant dimensions of the results to be achieved.

### 2.3.2.2 Actions to be supported under the investment priority 7e

In accordance with the SFC2014 model, the following part provides an overview of the types of actions planned to be supported by the cooperation programme. This overview is complemented by indicative thematic examples.

<sup>7</sup> Target values can be qualitative or quantitative.

**The following types of action may be financed under the investment priority**

Development of common orientations, frameworks and strategies, development and practical implementation of transnational tools and services, development and practical implementation of fixed investments (infrastructure, equipment) to finance pilot investments, development and practical implementation of training and capacity building, accompanying information, dissemination and publicity measures.

**The following indicative examples of action should be supported to contribute to specific objective No 3.2 Improve energy security and energy efficiency.**

- Support the transnational **integration of different energy networks** and explore the development opportunities for a joint energy infrastructure in the Danube region. Energy interconnection of the Danube region is of utmost relevance in order to ensure its energy security. Further development of the Danube region gas supply model that was commissioned by the Priority Area 2 should be assured. Thanks to this model, weak spots of the Danube region gas market could be pointed out. Such a model could help as well when simulating gas flow disruptions in the region.
- Support the development of a **Danube Region Smart Grid Concept**. The aim of the Smart Grid Concept is to facilitate a common understanding on the rather complex notion of “smart grids” and assist the countries of the Danube Region to take the first steps towards the development of smart grid policies and action plans. In order to meet the energy efficiency targets of the EU, the standardisation of smart appliances and the preparation of national plans for the swift deployment of smart grids are necessary. Moreover bottlenecks of smart grid developments in the Danube Region have to be identified ranging from infrastructural barriers through the integration of the increased energy production from supplying renewable sources into the grid to the ratio of non-payment. Expectations on the prospects of smart grid developments should be discussed in the different countries and already existing practices have to be shared. A common understanding across regions should be developed of their own demand for smart grid solutions and the areas for policy and regulatory interventions. Transmission System Operators and Distribution System Operators have to be involved as much as possible.
- Improve **regional energy planning and -coordination** across the Danube region within the wider context of EU energy policy in order to diversify energy sources and contribute to the security of energy supplies. Better connected Danube region means also a coordinate approach toward renewable energies. The Region has a great potential to become more energy independent. Improve policy learning and develop practical strategies and solutions to increase the use of renewable energy sources base on the given potentials and to improve energy efficiency policies in relevant sectors. Contribute to action plan development for renewable energy sources such as biomass, solar energy, geothermal and wind energy. Such action plans will help to achieve renewable energy goals of the Region as stated in Europe 2020 Strategy. As regards to the energy efficiency, the Danube region disposes of an unused potential. Thanks to investments in energy efficiency, the region might become less energy dependent. Initially, public buildings energy efficiency concept should be supported.
- Promote comprehensive **spatial planning** in order to position adequately generation and transmission capacities;

- Support **human resource development and the exchange of related knowledge** and experience accompanying policy and technology development.

### 2.3.2.3 Main target groups and types of beneficiaries supported under the investment priority

Beneficiaries are according to their **legal form** local, regional and national public authorities/institutions, bodies governed by public law, international organisations and private bodies.

Beneficiaries comprise according to their **thematic scope** among others local, regional and national public authorities and organisations established and managed by public authorities responsible for energy issues, sectoral agencies (e.g. regional development agencies), infrastructure and (public) service provider (e.g. for energy supply), grid operators and suppliers, research and development institutions, universities with research facilities, business support organisation (e.g. chamber of commerce, business innovations centres), higher education, education/training centre and school, private enterprises including SME and EGTC.

### 2.3.2.4 Specific territories targeted under the investment priority

No specific focus areas are defined. The entire programme area is eligible.

### 2.3.2.5 The guiding principles for the selection of operations under the investment priority

In addition to the general principles described in section 5.3 the following theme specific principles should guide the selection of operations:

- No duplicate of support provided by DG Energy
- Action must demonstrate how consumers can benefit most from the introduction of these systems

### 2.3.2.6 Common and specific output indicators (by investment priority)

Table 26. Common and programme specific output indicators (by IP)

Indicator (name of indicator)	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
No of jointly developed major products & services related to SO 3.2 (P)	Number	x	Monitoring system	yearly

(EU): EU common indicator (P): Programme specific indicator

### 2.3.3 Provisions at priority axis level

#### 2.3.3.1 Performance framework by priority axis

Table 27. The performance framework of the priority axis

Priority axis	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data
3	Financial indicator	Share of certified expenditure on Priority Axis 3 allocation	%	X%	100%	CA
3	Key implementation step	No of contracted projects in Priority axis 3	Number			MA (monitoring system)
3	Output indicator	No of jointly developed major products & services related to SO 3.1 (IP 7c)	Number			MA (monitoring system)
3	Output indicator	No of jointly developed major products & services related to SO 3.2 (IP 7e)	Number			MA (monitoring system)

#### 2.3.3.2 Categories of intervention by priority axis

Table 28. Dimension 1 Intervention field (breakdown of Union support)

Priority axis	Code	Amount (EUR)
3	035 Multimodal transport (TEN-T)	
3	036 Multimodal transport	
3	039 Seaports (TEN-T)	
3	040 Other seaports	
3	041 Inland waterways and ports (TEN-T)	
3	042 Inland waterways and ports (regional and local)	
3	43 Clean urban transport infrastructure and promotion	
3	44 Intelligent transport systems (including the introduction of demand management, tolling systems, IT monitoring control and information systems)	

Priority axis	Code	Amount (EUR)
3	012 Other renewable energy (including hydroelectric, geothermal and marine energy) and renewable energy integration (including storage, power to gas and renewable hydrogen infrastructure)	
3	015 Intelligent Energy Distribution Systems at medium and low voltage levels (including smart grids and ICT systems)	

**Table 29. Dimension 2 Form of finance (breakdown of Union support)**

Priority axis	Code	Amount (EUR)
3	01 non-repayable grant	

**Table 30. Dimension 3 Territory type (breakdown of Union support)**

Priority axis	Code	Amount (EUR)
3	00 Not applicable	

**Table 31. Dimension 6 Territorial delivery mechanisms (breakdown of Union support)**

Priority axis	Code	Amount (EUR)
3	00 Not applicable	

**A summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries and, where necessary, actions to enhance the administrative capacity of relevant partners to participate in the implementation of programmes (where appropriate)**

Not applicable

## 2.4 Priority axis 4: Well governed Danube region

**2.4.1 Investment priority 11) enhancing institutional capacity of public authorities and stakeholders and efficient public administration through actions to strengthen the institutional capacity and the efficiency of public administrations and public services related to the implementation of the ERDF, and in support of actions under the ESF to strengthen the institutional capacity and the efficiency of public administration (acc. to ERDF regulation Article 5); enhancing institutional capacity of public authorities and stakeholders and an efficient public administration by developing and coordinating macro-regional and sea-basin strategies (acc. to ETC regulation Article 7 (b))**

### 2.4.1.1 Specific objective No 4.1 Increase institutional capacities to tackle major societal challenges

**Strengthen multilevel- and transnational governance and institutional capacities and provide viable institutional and legal frameworks for more effective, wider and deeper transnational cooperation across the Danube region in areas with major societal challenges.**

The need has been identified by the analysis to develop the capacities of the public authorities and other public and civil society stakeholders to become able to tackle more effectively the challenges of highest relevance for the region.

There are profound differences between the management capacities of the administrations in the programme area at strategic (including policy formulation and management) and operational (programming and project development and management) levels.

Moreover, the lack of harmonized or coordinated approaches to effectively address the most important challenges requiring actions at transnational level. As described in the situation analysis challenges in the policy fields of migration, demographic change or the inclusion of marginalized communities, especially the Roma communities are the ones of highest relevance for the region in the upcoming decade.

There is a need to support projects or initiatives which trigger off cooperation in new policy areas, e.g. initiatives with a catalytic function are of importance/interest/etc. Institutions should develop capacities to act as intermediaries and interlocutors thus creating an enabling environment. This is of particular interest in the programme area since there are marked differences in the administrative system and developing partnerships in an environment of transnational and multi-level governance remains a challenge.

Another major aspect is the support of cooperation in those policy areas where major societal challenges arise in a mid-term or long-term perspective. In policy areas where cooperation is in an early stage the development of shared perspectives based on data analysis can be considered as first a first mile stone. More advanced cooperation will venture into capacity building, mutual learning, and strategy development paired with pilot actions to be tested. These are essential elements on the pathway to sustainable cooperation and new institutional patterns.

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Transnational action may encourage national, regional and local institutions and other stakeholders to work together in areas which will contribute significantly to the programme objectives. Establishing institutional cooperation should lead to improving legal and policy frameworks, developing strategies and action plans, development of joint capacities and coordinated delivery of services in areas which represent major societal challenges. Institutional capacity building is especially important for human resources development in less developed countries.

Accordingly, capable institutional actors need to be well represented in joint action. It is important also to involve the lowest level of state administration (municipalities) and integrate local development into transnational cooperation.

Overall, the main envisaged results are:

- Increase capacities of public institutions and stakeholders to tackle major societal challenges in fields such as labour market policies, education systems and policies, demographic change and migration challenges, inclusion of vulnerable and marginalized groups, participatory planning process and involvement of civil society, urban-rural cooperation and partnership, cooperation on safety, justice and security issues (examples).

A description of the type and examples of actions to be supported is given in a separate section (according to the model for cooperation programmes).

Transnational action should result in concrete institutional capacity building and improved policy instruments for enabling multilevel and transnational governance application through design, testing, up-scaling, comparison and evaluation of tools, processes, actors, organisations and interfaces in the field of public institutions. Last but not least, transnational action shall deliver conclusions on the relevance, effectiveness and sustainability of the above through monitoring and evaluation initiatives.

The specific objective is measured by a result indicator (composite indicator) which reflects the level of collaboration of key actors in the programme area in order to tackle major societal challenges. Target is an increasing level of collaboration and more balanced involvement of partner countries.

**Table 32. Programme Specific Result indicators for Specific Objective No 4.1**

Indicator	Measurement Unit	Baseline Value	Baseline Year	Target Value (2023)	Source of data	Frequency of reporting
Level of collaboration of institutional actors and other stakeholders in the programme area in order to tackle major societal challenges (survey based composite indicator)	Ordinal scale (e.g. 1 to 10)	Established through survey among selected key actors	2014	increasing level of collaboration and more balanced involvement of partner countries	Survey among selected governance key actors (potential actors in the area)	2018, 2023

Remark: The result indicator needs to capture the desired change in the programme area, be close to policy, and not relate only to programme beneficiaries, but to the whole target population. However, result indicators may measure only some of the relevant dimensions of the results to be achieved.

#### 2.4.1.2 Specific objective No 4.2 Governance of the EUSDR

**Improve the governance system and the capabilities and capacities of public institutions and key actors involved in complex transnational project development to implement the EUSDR in a more effective way.**

Based on the first experiences with the governance of the EUSDR, the need has been identified to make the governance of the EUSDR more effective.

Needs were identified in the following areas:

The ambitions of the strategy to deliver prepared strategy-based project proposals for funding institutions could not be fulfilled properly in the past period. Need for financial resources have been identified that are able to facilitate the development of project ideas and proposals until they reach the level of preparedness that is required for investment decisions.

Until the end of 2014 EP/EC played an important role in financing the coordination and management roles played by the PACs in the programme, by directly granting their budget. As neither the importance nor the scope of the PACs' activities is foreseen to change, to provide a stable source to fund the activities of the PACs over the period of current OP is a clear need, in order to enable the PACs to achieve the targets of the priority areas.

There is a need for a better flow of information among the EUSDR stakeholders, and, in the same time the need for putting the PACs and NCPs in a more strategic position led EC to table the proposal about a new facility (Focal Point) that would contribute by providing operative services to these goals.

To address these needs at different levels transnational action aims

- To improve effectiveness of coordination and strategy implementation in each of the Priority Areas of the EUSDR by a facility for direct support to EUSDR governance.

- To increase the capacities in the regions for the development of complex strategic transnational projects contributing to the EU Strategy for the Danube Region by establishing a seed money/project development fund facility.
- To strengthen the strategic role of the Commission and the partner countries in implementing the EUSDR through establishment of an EUSDR Focal Point, a new institution to be set up set up to facilitate the information flow between EUSDR key actors.

Through a combination of these measures a better overall coordination and implementation of the EUSDR should be achieved.

The specific objective to strengthen the capacities of institutions and actors to implement the EUSDR is measured by a result indicator which is reflecting the (evolving) capacity. The baseline of the result indicator will be established through a survey among National Contact Points (NCP) in the programme area.

**Table 33. Programme Specific Result indicators by Specific Objective No 4.2**

Indicator	Measurement Unit	Baseline Value	Baseline Year	Target Value (2023)	Source of data	Frequency of reporting
The share of Priority Area Coordinators (PAC) who can effectively implement its goals, targets and key action (survey composite indicator)	%	Established through a survey	2014	Increasing (qualitative target)	Survey among the NCPs	2016, 2018, 2023

Remark: The result indicator needs to capture the desired change in the programme area, be close to policy, and not relate only to programme beneficiaries, but to the whole target population. However, result indicators may measure only some of the relevant dimensions of the results to be achieved.

#### 2.4.1.3 Actions to be supported under the investment priority 7b

In accordance with the SFC2014 model, the following part provides an overview of the types of actions planned to be supported by the cooperation programme. This overview is complemented by indicative thematic examples.

##### **The following types of action may be financed under the investment priority**

Development of common orientations, frameworks and strategies, development and practical implementation of transnational tools and services, development and practical implementation of fixed investments (infrastructure, equipment) to finance pilot investments, development and practical implementation of training and capacity building, accompanying information, dissemination and publicity measures.

##### **The following indicative examples of action should be supported to contribute to specific objective No 4.1 Increase institutional capacities to tackle major societal challenges**

- Support the exchange and transfer of know-how and best practices on **labour market policies** between labour market institutions and social partner organisations in the Danube Region incl. labour market law, social partnership/social dialogue, models of cooperation between public employment

services & companies; youth unemployment in order to increase labour market participation and combating the labour market mismatches between skills and job opportunities (brain waste). Joint action to the re-integration of disadvantaged groups into labour market should also be supported.

- Support institutional capacities and framework conditions for implementing **education systems and policies** (incl. active labour market policies) aiming for raising the level of education and qualification and thus increasing chances to find employment in the Danube region. Education and training provide a wide field for transnational cooperation with (potential) EU candidate and ENI countries. Improving knowledge, skills and competences of all (incl. youth, low-skilled adults, etc.) and at all levels of education and training to increase employability and adaptability (e.g. development of innovative learning environments and training schemes / curricula; improving the attractiveness and quality of VET and dual and other work-based learning systems, implementation of lifelong learning strategies, fostering entrepreneurial initiative, digital and language skills, second chance options for low-skilled adults etc.).
- Support the joint development and improvement policies and innovative learning systems that address **demographic change and migration challenges**. Human capital needs to be enhanced, through education, in order to compensate for unavoidable demographic decline as forecasted by experts. This clearly needs a transnational approach due to intensifying migratory trends. A need for a gendered perspective became evident due to the fact that human capital development has gender specific elements and gender parity in educational attainment in the Danube region is well below the EU average.
- Support the exchange and transfer of know-how and best practices on **social inclusion policies** between labour market institutions and social partner organisations in the Danube Region regarding the inclusion of marginalised and vulnerable groups such as Roma communities (example for a marginalised group). The Roma population finds itself in a similar situation across DR countries that bear a great potential in terms of transnational cooperation and development of specific tools, methodologies, policies and actions.
- Improve joint policies and implemented tools to strengthen **participatory planning process and involvement of civil society** in the transition countries in order to contribute to civil society development.
- Strengthen cooperation of **networks among cities and of urban-rural partnerships**. Improving the quality and effectiveness of strategic planning of functional areas of cross border relevance (e.g. more suitable composition of partnerships, better mobilization of financial resources, to improve participative processes, development of common planning tools and data bases, fostering evaluation of interventions). PA 4 is the only priority where issues like regional planning/development can be picked up in a direct way. In the Danube region, polycentric development is of special importance for the development of the region. Build up Urban-rural cooperation and partnership. Support the development of a Danube Spatial Planning Information System and of a Danube Spatial Planning Network.
- Support the exchange and transfer of knowledge and best practice and institutional cooperation in **security issues, crime prevention and justice affairs**.

- 
- Support the creation of **healthy local communities** on the basis of healthy cities and healthy communities' concept. To develop modern social, health and educational services existing civil society networks could be used with long term relationships in the Danube Region in order to effectively root projects in local context.

#### **Type and examples of action to be supported to contribute to specific objective No 4.2 Governance of the EUSDR**

- **Establish a facility for direct support to EUSDR governance.** The Danube Strategy addresses a wide range of issues; these are divided among four pillars and eleven priority areas. Each of the eleven priority areas of the Danube Region Strategy are managed by two Priority Area Coordinators (PACs). PACs are in charge of implementing the priority areas and were designated by the European Commission (EC) in February 2011. The aim of this element of the priority is to provide a stable source to fund activities of the PACs on a longer run. The programme focuses on providing tools to PACs to fulfil their coordinating role more effectively
- **Establish a seed money/project development fund facility (Financing fund).** This instrument is providing support to all project developers in the thematic fields of the Strategy. Small scale financial assistance is available for EUSDR-relevant project ideas – regardless the financial instrument to be addressed with the project developed, be it national, mainstream EU, transnational or cross border or by any other public or private investor (such as IFIs) or public-private partnership.
- **Establish a EUSDR Focal Point.** It is meant as an independent facility aiming to provide general and specific information on EUSDR by carrying out information activities and supporting the work and cooperation of EUSDR stakeholders.

##### **2.4.1.4 Main target groups and types of beneficiaries supported under the investment priority**

Beneficiaries are according to their **legal form** local, regional and national public authorities/institutions, bodies governed by public law, international organisations and private bodies.

Beneficiaries comprise according to their **thematic scope** among others local, regional and national public authorities and organisations established and managed by public authorities, social services providers, non-governmental organisations, research and development institutions, universities with research facilities, higher education, education/training institutions, European grouping for territorial cooperation (EGTC).

##### **2.4.1.5 Specific territories targeted under the investment priority**

No specific focus areas are defined. The entire programme area is eligible.

##### **2.4.1.6 The guiding principles for the selection of operations under the investment priority**

In addition to the general principles described in section 5.3 the following theme specific principles should guide the selection of operations:

- Relevance of an action to develop the policy and policy instruments on the ground
- Capable institutional actors need to be well represented in joint action
- Clear approach on capacity building for administrative personnel

#### 2.4.1.7 Common and specific output indicators (by investment priority)

Table 34. Common and programme specific output indicators (by IP)

Indicator (name of indicator)	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
No of jointly developed major products & services related to SO 4.1 (P)	Number	x	Monitoring system	yearly
No of jointly developed major products & services related to SO 4.2 (P)	Number	x	Monitoring system	yearly

(EU): EU common indicator (P): Programme specific indicator

#### 2.4.2 Provisions at priority axis level

##### 2.4.2.1 Performance framework by priority axis

Table 35. The performance framework of the priority axis

Priority axis	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data
4	Financial indicator	Share of certified expenditure on Priority Axis 4 allocation	%	X%	100%	CA
4	Key implementation step	No of contracted projects in Priority axis 4	Number			MA (monitoring system)
4	Output indicator	No of jointly developed major products & services related to SO 4.1 (IP 11)	Number			MA (monitoring system)
4	Output indicator	No of jointly developed major products & services related to SO 4.2 (IP 11)	Number			MA (monitoring system)

### 2.4.2.2 Categories of intervention by priority axis

Table 36. Dimension 1 Intervention field (breakdown of Union support)

Priority axis	Code	Amount (EUR)
4	119 Investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance	
4	120 Capacity building for stakeholders delivering education, lifelong learning, training and employment and social policies, including through sectoral and territorial pacts to mobilise for reform at national, regional and local level	

Table 37. Dimension 2 Form of finance (breakdown of Union support)

Priority axis	Code	Amount (EUR)
4	01 non-repayable grant	

Table 38. Dimension 3 Territory type (breakdown of Union support)

Priority axis	Code	Amount (EUR)
4	00 Not applicable	

Table 39. Dimension 6 Territorial delivery mechanisms (breakdown of Union support)

Priority axis	Code	Amount (EUR)
4	00 Not applicable	

A summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries and, where necessary, actions to enhance the administrative capacity of relevant partners to participate in the implementation of programmes (where appropriate)

Not applicable

## 2.5 Description of the Priority Axis 5 for Technical Assistance

### 2.5.1 Specific objective No 5.1 Technical assistance

#### Ensure the efficient and smooth implementation of the Danube cooperation programme.

The use of Technical Assistance funds should ensure the functioning of all major bodies which act in programme implementation, i.e. in particular the Managing Authority, the Joint Secretariat, the FLC, Audit and Certifying Authorities and the Regional Bodies.

The key results of the programme are successful projects with visible outputs. The services supported from Technical Assistance are considered as a mean to achieve this result. The programme management bodies should ensure competent services to the beneficiaries throughout all stages of the Project Management Cycle, i.e. from project generation, selection and contracting to control and closure.

With a view to the European level the programme management bodies will ensure sound reporting which in the end should contribute to the acknowledgement of the programme achievements by the relevant European Commission services. Thus reporting should assist to demonstrate the value-added of ETC-programmes.

A further dimension is the work in information and communication.

Firstly a key point is to ensure an easy access to information for all interested applicants and beneficiaries. With a view to more technical information for applicants and beneficiaries the options of internet-based online services should be paired with the offer for face-to-face consultation. Thus the broad variety of potential applicants and beneficiaries as well as their differing communication requirements should be taken into account.

Secondly publicity and information should contribute to the visibility of programme achievements in the programme region through a broad variety of means such as dissemination of good practice, events for a broader audience, campaigns etc.

**Table 40. Programme Specific Result indicators for Specific Objective No 13**

Indicator	Measurement Unit	Baseline Value	Baseline Year	Target Value	Source of data	Frequency of reporting
Not applicable since the contribution of ERDF funds for TA does not exceed EUR 15,000,000 (acc. to Article 7, 2c, draft ERDF Regulation)						

#### 2.5.1.1 Actions to be supported and their expected contribution to the specific objective 5.1 Technical assistance

##### Type and examples of action to be supported to contribute to specific objective No 5.1

- Adequate staffing of Managing Authority and Joint Secretariat
- Adequate staffing of FLC and Regional Bodies
- Office and IT cost for these bodies

- Services and staff required by the Audit and Certifying Authorities
- Development and maintenance of the Monitoring System
- Costs related to meetings of the Monitoring Committee (MC), sub-groups established by the MC (e.g. Steering Group Evaluation) and technical working groups (e.g. for the elaboration of templates and guidance documents, eligibility rules etc.)
- Publicity and information measures
- Services related to evaluation, indicator development and programming for the forthcoming period

### Output indicators expected to contribute to results

Table 41. Output indicators

Indicator (name of indicator)	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
No of projects committed and successfully closed (P)	Number	xxxx (without TA)	Monitoring system	yearly
Number of major publicity events (P)	Number	8 (1 per year in the period 2015-2022)	Monitoring system	yearly
Number of compulsory information events for beneficiaries at project start (P)	Number	10 (2 per year in the period 2015-2019)	Monitoring system	yearly

(EU): EU common indicator (P): Programme specific indicator

### 2.5.2 Categories of intervention

Table 42. Dimension 1 Intervention field (breakdown of Union support)

Priority axis	Code	Amount (EUR)
5 TA	121 Preparation, implementation, monitoring, inspection	
5 TA	122 Evaluation and studies	
5 TA	123 Information and communication	

Table 43. Dimension 2 Form of finance (breakdown of Union support)

Priority axis	Code	Amount (EUR)
5	01 non-repayable grant	x

**Table 44. Dimension 3 Territory type (breakdown of Union support)**

Priority axis	Code	Amount (EUR)
5	00 Not applicable	

**Table 45. Dimension 6 Territorial delivery mechanisms (breakdown of Union support)**

Priority axis	Code	Amount (EUR)
5	00 Not applicable	

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## 3 Financing Plan

### 3.1 Financial appropriation from the ERDF (EUR)

Table 46. Financial appropriation from the ERDF

	2014	2015	2016	2017	2018	2019	2020	Total
ERDF								
IPA amounts (where applicable)								
ENI amounts (where applicable)								
Total								

### 3.2 3.2.A Total financial appropriation from the ERDF and national co-financing (in EUR)

Table 47. Financing Plan (first draft)

Priority axes	Source of community funding	Basis for calculation of Community Funding	Community Funding	National co-financing	National public funding	National private funding	Total funding	Co-financing rate	For information	
	ERDF/IPA/ENI	Total eligible costs or Public eligible costs	(a)	(b)=(c)+(d)	(c)	(d)	(e) = (a) + (b)	(f) = (a)/(e)	EIB contributions	Other funding
P1 Priority	ERDF	total eligible costs	60 628 622	12 345 194	10 699 169	1 646 026	72 973 816	83%		
	IPA	total eligible costs	5 687 234	1 158 034	1 003 630	154 405	6 845 268	83%		
	ENI									
P2 Priority	ERDF	total eligible costs	60 628 622	12 345 194	10 699 169	1 646 026	72 973 816	83%		
	IPA	total eligible costs	5 687 234	1 158 034	1 003 630	154 405	6 845 268	83%		
	ENI									
P3 Priority	ERDF	total eligible costs	40 419 081	8 230 130	7 132 779	1 097 351	48 649 211	83%		
	IPA	total eligible costs	3 791 489	772 023	669 086	102 936	4 563 512	83%		
	ENI									
P4 Priority	ERDF	total eligible costs	28 293 357	5 761 091	4 992 945	768 145	34 054 447	83%		
	IPA	total eligible costs	2 654 043	540 416	468 360	72 055	3 194 458	83%		
	ENI									
P5 Priority (Technical Assistance)	ERDF	total eligible costs	12 125 724	4 041 908	4 041 908	0	16 167 632	75%		
	IPA	total eligible costs	1 980 000	660 000	660 000	0	2 640 000	75%		
	ENI									
TOTAL	ERDF		202 095 405	42 723 517	37 565 969	5 157 548	244 818 922	83%		
	IPA		19 800 000	4 288 507	3 804 706	483 801	24 088 507	82%		
	ENI									
	Total Community		221 895 405	47 012 024	41 370 675	5 641 349	268 907 429	83%		

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**Comments by Partner States on the first draft of the financing plan**

Serbia do not have any comments to the proposal, except that for TA priority, for IPA share, part of allocation is 10%.

Bulgarian position is in favour of the proposed allocation of funds between investment priorities.

Germany: Today we agree to nearly everything - including this first distribution idea.

Montenegro: We would like to inform you that we agree with the draft financial allocation table related to allocation of funds between investment priorities.

Slovakia agrees with the draft financial allocation table which fMA submitted last week.

Austria: Thank you for this first proposal which we consider a reasonable guidance for the experts to prepare the revised/draft final CP. As agreed in Split, a final decision concerning the budget allocations will have to be taken only at the next PC-meeting.

CZ: Based on our consultation with our National Committee, the Czech Republic welcomes the first draft of financial allocation per priority as a good basis for the debate about the final distribution of programme funds which will only take place later on. We are in favour of increasing the allocation of the thematic field of energy efficiency, renewable energy, smart grids and security of supply under priority 3 of the CP.

Romania: a proposal for a revised allocation at IP level is presented; reduce: 1b, 11b, increase: 6c, 6d, 7e

Croatia: a proposal for a revised allocation at IP level is presented; reduce: 11a and 11b increase: 6c, 6d

Hungary: a proposal for a revised allocation at IP level is presented; reduce: 1b, 6c, 6d, 7c, increase: 7e, 11a

See the table below

## Danube transnational programme 2014-2020: Survey on Member State level to support the preparation of the Financing Plan

Thematic objectives and Investment Priorities (IPs) Investment Priorities (IP) selected by the PC meeting Split	Danube transnational programme 2014-2020 Specific Objectives (short titles)	First Proposal; confirmed by Serbia, Bulgaria, Czech Rep., Germany, Montenegro, Slovakia, Austria	Romania	Croatia	Hungary
<b>1. Strengthening research &amp; TDI</b>					
1b) promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies	1.1 Improve framework conditions for innovation 1.2 Increase skills and knowledge for innovation	30	28	30	26
<b>6. Environmental protection and resource efficiency</b>					
6c) Conserving, protecting, promoting and developing cultural and natural heritage	2.1 Natural and cultural heritage valorisation	15	16	18	14

6d) Protecting and restoring biodiversity, soil protection and restoration and promoting ecosystem services including NATURA 2000 and green infrastructures	2.2 Restoring and managing ecological corridors 2.3 Transnational water management and flood risk prevention 2.4 More effective governance to prepare for emergency situations (manage risks)	15	16	16	14
<b>7. Sustainable transport and removing bottlenecks in key network infrastructure</b>					
7c) Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility	3.1 Environmentally-friendly, low-carbon and safe transport systems 3.2 Improve integrated planning, coordination and management of regional transport for better connectivity to TEN-T ( <i>note: local transport is out of the scope</i> )	14	14	14	13
7e) Improving energy efficiency and security of supply through the development of smart energy distribution, storage and transmission systems and through the integration of distributed generation from renewable sources	3.3 Contribute to the energy security and energy efficiency of the region by supporting the development of joint regional storage and distribution solutions ( <i>may be added: solutions for increasing energy efficiency and renewable energy usage</i> )	6	7	6	11
<b>11. Institutional capacity and public services</b>					

11"a") Enhancing institutional capacity of public authorities and stakeholders and efficient public administration through actions to strengthen the institutional capacity and the efficiency of public administrations and public services related to the implementation of the ERDF, and in support of actions under the ESF to strengthen the institutional capacity and the efficiency of public administration (acc. to ERDF regulation Article 5)	4.1 Increase capacities of institutions in areas with major societal challenges	6	6	5	8
11"b") Enhancing institutional capacity of public authorities and stakeholders and an efficient public administration by developing and coordinating macro-regional and sea-basin strategies (acc. to ETC regulation Article 7 (b))	4.2 Improve governance of EUSDR	8	7	5	8
<b>Technical Assistance</b>	5.1 Efficient and smooth programme implementation	6	6	6	6
<b>TOTAL</b>		<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

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### 3.3 3.2.B. Breakdown by priority axis and thematic objective

Table 48. Breakdown by priority axis and thematic objective

Priority axis	Thematic objective	Union support	National counterpart	Total funding
Priority axis 1	Thematic objective 1			
Priority axis 2	Thematic objective 6			
Priority axis 3	Thematic objective 7			
Priority axis 4	Thematic objective 11			
Priority axis 5	Technical assistance			
Total				

Table 49. Indicative amount of support to be used for climate change objectives

Priority axis	The indicative amount of support to be used for climate change objectives (EUR)	Proportion of the total allocation to the programme (%)
Priority axis 1		
Priority axis 2		
Priority axis 3		
Priority axis 4		
Priority axis 4		
Total		

## 4 Integrated approach to territorial development

### Description of the integrated approach of the cooperation programme

In the Danube programme no application of specific instruments according to EU regulations such as Community Led Local Development (CLLD) and Integrated Territorial Investment (ITI) is foreseen.

However, the Danube programme supports an integrated territorial approach which is mainly understood as a comprehensive and coordinated approach to planning and governance and territorial coordination of policies in specific territories.

The programme recognizes that the territorial dimension and the coordination of EU and national sectoral policies are important principles in fostering territorial cohesion. Most policies at each territorial level can be made significantly more efficient and can achieve synergies with other policies if they take the territorial dimension and territorial impacts into account.

Therefore the programme supports

- territorial integration in cross-border and transnational functional regions
- improving territorial connectivity for individuals, communities and enterprises
- managing and connecting ecological, landscape and cultural values of regions along key green infrastructures.
- improve transnational water management and flood risk prevention in functional sub-basin areas in line with the overall Danube River Basin Management Plan.

#### 4.1 Community led local development (where appropriate)

Not applicable

#### 4.2 Integrated actions for sustainable urban development (where appropriate)

Not applicable

#### 4.3 Integrated Territorial Investment (ITI) (where appropriate)

Not applicable

#### 4.4 Contribution of planned interventions towards macro-regional and sea basin strategies, subject to the needs of the programme area as identified by the relevant Member States and taking into account, where applicable, strategically important projects identified in those strategies (where appropriate)

The Danube transnational programme pays due attention to the EU Strategy for the Danube Region (EUSDR) both in the programming process as well as in the implementation phase.

##### A) Programming process

During the programming process, the definition of the strategy, the selection and description of the thematic objectives and investment priorities of the cooperation

programme take into consideration in particular the following Priority Areas (and key actions) of the EUSDR Action Plan 2010 (SEC 2010 1489).

TO	IP	Danube programme specific objective (integrated approach)	Related EUSDR Priority Area (PA) where specific aspects are covered
1 Research & innovation	1b	1.1 Improve the institutional and infrastructural framework conditions and policy instruments for research & innovation and ensure a broader access to knowledge for the development of new technologies and the social dimension of innovation (SP1)	PA 07   Knowledge Society PA 08   Competitiveness PA 04   Water Quality
1 Research & innovation	1b	1.2 Foster innovative learning systems to increase competences of employees in the business sector, strengthen entrepreneurial culture and learning and better meet social needs and the delivery of services in the general interest.	PA 08   Competitiveness PA 09   People & Skills
6 Environment	6c	2.1 Strengthen joint and integrated approaches to preserve and manage the diversity of natural and cultural heritage and resources in the Danube region as a basis for sustainable development and growth strategies.	PA 03   Culture & Tourism
6 Environment	6d	2.2 Strengthen effective approaches to preservation, restoring and management of large-scale bio-corridors and wetlands to contribute to the better conservation status of ecosystems of European relevance (SP4)	PA 06   Biodiversity, landscapes, quality of air and soils
6 Environment	6d	2.3 Strengthen joint and integrated approaches to further develop and implement River Basin Management Plans in the Partner States in line with the overall Danube River Basin Management Plan in order to improve transnational water management and flood risk prevention.	PA 04   Water Quality PA 05   Environmental Risks
6 Environment	6d	2.4 Establish a more effective governance system for emergency situations and improve the preparedness of public authorities and civil protection organisation to better manage natural and climate change related risks (such as floods, forest fires, landslide, land erosion,	PA 05   Environmental Risks

TO	IP	Danube programme specific objective (integrated approach)	Related EUSDR Priority Area (PA) where specific aspects are covered
		earthquakes) and manmade risks (e.g. industrial accidental river pollution).	
7 Transport	7c	3.1 Improve planning, coordination and practical solutions for an environmentally-friendly and safer transport network and services in the programme area and ensure balanced accessibility of urban and rural areas to TEN-T infrastructure	PA 1B   Mobility   Rail-Road-Air PA 1A   Mobility   Waterways
7 Transport	7e	3.2 Contribute to the energy security and energy efficiency of the region by supporting the development of joint regional storage and distribution solutions and strategies for increasing energy efficiency and renewable energy usage.	PA 02   Energy
11 Governance	11 (institutional development/capacity)	4.1 Strengthen multilevel- and transnational governance and institutional capacities and provide viable institutional and legal frameworks for more effective, wider and deeper transnational cooperation across the Danube region in areas with major societal challenges	PA 10   Institutional capacity and cooperation PA 09   People & Skills PA 11   Security (to be clarified)
11 Governance	11 (macro-regional)	4.2 Improve the governance system and the capabilities and capacities of public institutions and key actors involved in complex transnational project development to implement the EUSDR in a more effective way	All PAs

## B) Implementation of the cooperation programme

### *To be further developed*

During the implementation, the Danube programme will ensure appropriate coordination with the macro-regional EU Strategy for the Danube Region by

- Governance arrangements for ongoing mutual information exchange, coordination and joint planning in areas of joint interest during the programme implementation: on Member States side **for example** the “working group CBC” in the framework of ÖROK (the Austrian Conference on Spatial Planning) will act as national committee and will ensure a continuous and regular, institutionalised

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exchange of information on macro-regional strategies among programme partners; vice versa information about programme activities will be reported to the established national coordination platform for the EUSDR (and eventual future macro-regional strategies with AT participation). Furthermore, the implementation of the CBC programme will be embedded into the strategic monitoring process STRAT.AT 2020. **Provisions on other MS provisions (to be added)**

- During the inception phase of the programme closer working relationships between programme partners and EUSDR stakeholders will be sought in order to identify issues and activities of joint interest in the implementation phase; this should foster the awareness among programme partners who are involved in project generation as well as prepare the ground for capitalisation actions at a later stage (i.e. once the programme can show relevant results)
- Establishing a EUSDR specific category in the monitoring system. Consequently, funding activities and/or projects contributing to the EUSDR will be identified in an appropriate way. This approach includes the consideration of EUSDR aspects in programme evaluations and reports, specifying how the cooperation programme contributes to the challenges and priority actions identified by the EUSDR.

## 5 Implementing Provision for the cooperation Programme

### 5.1 Relevant authorities and bodies

(Reference: Article 8(4) of Regulation (EU) No 1299/2013)

**Table 50. Programme authorities**

(Reference: point (a)(i) of Article 8(4) of Regulation (EU) No 1299/2013)

Authority/body	Name of authority/body and department or unit	Head of authority/body (position or post)
Managing authority (MA)	<b>Office for National Economic Planning, Danube Transnational Programme Joint Managing Authority (ONEP JMA Department)</b>	Head of Managing Authority (Head of department)
Certifying authority, where applicable (CA)	<b>Hungarian State Treasury</b>	position
Audit authority (AA)	<b>Directorate General for Audit of European Funds (EUTAF)</b>	position

**The body to which payments will be made by the Commission is:**

(Reference: point (b) of Article 8(4) of Regulation (EU) No 1299/2013)

- the managing authority*  
 ***the certifying authority***

**Table 51. Body or bodies carrying out control and audit tasks**

(Reference: points (a)(ii) and (iii) of Article 8(4) of Regulation (EU) No 1299/2013)

Authority/body	Name of authority/body and department or unit	Head of authority/body (position or post)
Body or bodies designated to carry out control tasks	<b>to be settled at national level</b>	<b>ANNEX xx</b>
Body or bodies designated to be responsible for carrying out audit tasks	<b>ANNEX xx</b>	<b>ANNEX xx</b>

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## 5.2 Procedure for setting up the joint secretariat

(Reference: point (a)(iv) of Article 8(4) of Regulation (EU) No 1299/2013)

In accordance with Article 23(2) of the ETC Regulation, the participating countries agreed to have an **integrated management structure** combining managing authority and joint secretariat functions to be set up **at the premises of the Office for National Economic Planning (ONEP)** in Budapest. Being integrated into a single department of ONEP, the MA and the JS are **functionally independent bodies** (guaranteeing the impartiality of the project application and evaluation process as well as of transnational programme implementation). Salary, benefits and general employment conditions for the MA/JS staff will be determined by the participating countries in line with the Technical Assistance budget (TA) of the programme. Any change in the structure and staffing of the MA/JS should be agreed by the Monitoring Committee (MC) of the Danube Transnational Programme (DTP).

The staff of the JS will be employed according to the applicable Hungarian legislation; however, **principal decisions regarding the personnel of the JS are to be agreed by the participating countries**. Each position should be filled in by a tender procedure which - depending on the position - can be **open or restricted** and is based on technical job descriptions agreed by the MC. A **Recruitment Committee** should be set up by the MC in order to manage the recruitment process of the JS staff.

## 5.3 Summary description of the management and control arrangements

(Reference: point (a)(v) of Article 8(4) of Regulation (EU) No 1299/2013)

The following sections describe the implementation structures and arrangements of the DTP. More detailed provisions will be included in the description of the management and control system, in the **Programme Manual** (comprising the Assessment Manual, TA Manual, Control Guidelines), yearly Management Plans (including yearly Communication Plans), Evaluation plan, **and other guidance documents for implementation** (Application package and Project Implementation Handbook) to be adopted by the MC.

The programme language is **English**.

**Partner States** comprising **EU Member States** namely Austria, Bulgaria, Croatia, the Czech Republic, Germany (Baden-Württemberg and Bayern), Hungary, Romania, Slovakia, Slovenia as well as IPAll beneficiaries listed in Annex I of Regulation (EU) No 231/2014 establishing an Instrument for Pre-accession Assistance (hereinafter referred to as **IPA beneficiary countries**) namely Bosnia and Herzegovina, Montenegro and Serbia established a shared management system to manage, coordinate and supervise the implementation of the programme. **ENI partner countries**, namely the Republic of Moldova and territories of Ukraine (Chernivetska Oblast, Ivano-Frankiviska Oblast, Zakarpatska Oblast, Odessa Oblast) also participate in the DTP in accordance with Article 9(1)(g) of Regulation (EU) No 232/2014 establishing a European Neighbourhood Instrument. Non-member States participating through a contribution of ENI resources will be integrated as much as possible in the DTP to pursue cohesion policy objectives.

In line with the principles of shared management referred to in Article 73 of the CPR, **Member States and the Commission** should be responsible for the management and

control of the Programme. In accordance with Article 26 of the ETC Regulation, specific financial and implementation provisions concerning the participation of Bosnia and Herzegovina, Republic of Montenegro, Republic of Serbia, Republic of Moldova and Ukraine in the Programme will be regulated in the respective **Financing Agreements** concluded between the European Commission and the Governments of the IPA countries, co-signed by the MA.

**All Partner States** should ensure that effective arrangements for the verification in relation to all beneficiaries on their territories, for the examination of complaints, and audits are in place. Also, all Partner States will bear ultimate responsibility for recovering amounts unduly paid to beneficiaries and jointly assume liability for irregularities deriving from their common decisions made in the MC. Responsibilities of the Partner States (including the list of responsible authorities) in accordance with Articles 72 and 73 of the CPR are presented in details in [Annex 01](#).

### 5.3.1 Institutions

A chart describing the management structures of the DTP is attached in [Annex 02](#).

The **Monitoring Committee (MC)** – consisting of representatives of each participating country – supervises the implementation of the DTP and selects projects to be financed. Its overall task is to ensure the quality and effectiveness of implementation. Detailed list of functions of the MC in accordance with Article 49 and Article 110 of the CPR is attached as [Annex 03](#).

The **Managing Authority (MA), assisted by the Joint Secretariat (JS)**, hosted by the Office for National Economic Planning in Hungary) is responsible for the overall programme implementation; carrying out the functions laid down in Article 125 of the CPR as well as Article 23 of the ETC Regulation. The JS will be the central contact point for potential project applicants and Lead Beneficiaries of selected/running operations. Specific arrangements and detailed tasks of the MA/JS are described in [Annex 04](#).

The counterparts for the MA with the coordination role on the territory of the participating countries will in the first instance be the MC members representing the national authorities responsible for the Programme. Therefore these MC members and their deputies respectively, will be the central contact persons to be contacted by the MA for all enquiries related to the implementation of the Programme in the participating countries.

The **Certifying Authority (CA)** will carry out the functions laid down in Article 24 of the ETC Regulation; in particular, the CA is responsible for drawing up and submitting certified statements of expenditure and applications for payment to the Commission and receiving payments from the Commission. The CA shall use the payments received from the Commission to reimburse the Lead Beneficiaries in accordance with Article 132 of the CPR. Detailed list of functions of the CA is attached as [Annex 05](#).

The **Audit Authority (AA)** will carry out the functions laid down in Article 25 of the ETC Regulation; in particular, the AA will ensure that audits are carried out on the management and control systems, on an appropriate sample of operations and on the annual accounts. The AA will be assisted by a Group of Auditors (GoA) comprising of representatives from responsible bodies of each Partner State. Detailed functions of the AA and the list of designated GoA members can be found in [Annex 06](#).

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**National Contact Points** (NCPs) will be set up by each participating country to complement transnational activities of the MA/JS by involving stakeholders from the national level as well as to contribute to the national and transnational programme management. Detailed tasks of the NCPs are listed in [Annex 07](#).

The **Lead beneficiary** (LB) located in one of the Danube Member States will be designated by all the beneficiaries participating in a project to carry out the tasks laid down in Article 13 of the ETC Regulation. In particular, the LB shall assume responsibility for ensuring implementation of the entire operation (including the arrangements for recovering amounts unduly paid); furthermore for ensuring that the expenditure presented by other beneficiaries has been incurred and corresponds to the activities agreed between all the beneficiaries, that it has been verified by a controller, and that the other beneficiaries receive the total amount of the contribution from the funds.

**Controllers** will be designated by each Partner State to ensure the compliance of expenditure incurred by the national project partners with Community and national rules, by carrying out verifications within the meaning of Article 23(4) of the ETC Regulation as well as Article 125(5) of the CPR, covering administrative, financial, technical and physical aspects of operations. Controllers shall be nominated in line with the national provisions of each Partner State. Each country participating in the DTP will be responsible for verifications carried out on its territory. Specific arrangements and detailed tasks of controllers (including the list of responsible bodies designated to carry out controls) are presented in [Annex 08](#).

In line with Article 123 (9) of the CPR, Partner States shall lay down in writing rules governing their relations with the MA, the CA and the AA, the relations between such authorities, and the relations of such authorities with the Commission.

### 5.3.2 Application

The overall aim of the programme is to realise high quality, result orientated transnational projects of strategic character, relevant for the programme area.

#### Types of call for proposals:

- **Open** call for proposals (targeting all potential applicants and including all programme priorities)
- **Targeted** calls for project proposals:
  - focusing on specific programme priorities;
  - for elaborating specific thematic projects (based on detailed project descriptions developed by the JS);
  - in order to narrow the scope of potential beneficiaries;
  - setting specific eligibility criteria regarding the number and type of partners (or countries), activities etc.
- **Restricted** call for proposals for specific Beneficiaries designated by the MC (e.g. with regard to the institutional support of the EUSDR).

Preparation of targeted calls can be supported by thematic seminars at the level of programme stakeholders (target groups, experts, programme management bodies etc.) to define potential fields of strategic co-operation, which can serve as the basis for targeted calls.

As for the types of application procedures, a single step or a two-step approach will be considered according to the specific characteristics of the call for proposals.

A types of project application procedures will be described in the Programme Manual.

Application procedures and templates will be developed for each call for proposals and included in **call-specific Application Packages** which will be widely circulated and available on the website of the DTP as well as on other websites to provide necessary guidance for the preparation of project applications.

### 5.3.3 Project development and selection

#### Project generation

Assistance and support will be given to potential applicants in developing their projects, as follows:

- MA/JS and all participating countries (with the support of the NCPs) shall take care of spreading information on the DTP including funding opportunities to potential applicants. All such activities will be integrated in the Communication Strategy of the Programme.
- The JS (with the support of the NCP network) will provide information on specific calls for proposals to potential applicants.

While generating projects the following has to be ensured:

- All potential applicants (defined by each call for proposals respectively) shall have access to the same information regardless of their locations.
- The establishment of partnerships can be supported by Programme bodies (JS & NCPs) by helping potential applicants find interested actors (e.g. by means of partner search events, etc.)

#### Project selection

The JS (assisted by NCPs/Partner States in eligibility issues and external experts focusing on thematic aspects) will organise and guarantee the impartial assessment of all applications based on the eligibility criteria (describing the minimum requirements) and quality criteria (strategic and operational ones) approved by the MC. The applications submitted will be made available to the MC members, as well as the results of the assessment together with proposals for decision making.

Project selection will be the overall responsibility of the MC in accordance with Article 12 of the ETC Regulation. In order to achieve programme goals, the MC shall support projects with real transnational character and strong result-oriented approach, reflected in the:

- **transnational relevance of the topic/theme:** the project contributes to the chosen programme specific objective and addresses development needs and territorial challenges that are shared across the regions participating in the project and cannot be sufficiently addressed by individual regions or countries alone.
- **delivery of concrete and measurable outputs and results, in response to well identified transnational challenges affecting the programme area:** projects shall directly contribute to the objectives expected to be achieved at

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programme level for the concerned priority axis and shall produce concrete and visible changes for the programme area.

- **delivery of durable outputs and results:** projects have to ensure that outputs and results envisaged to be achieved can be further used and exploited in the frame of other initiatives (e.g. policies, strategies, plans) and/or they are suitable for preparing investments to be financed from other sources (e.g. EIB or other financial institutions, other EU programmes, national and regional funds) also beyond the regions involved in the project.
- **quality of the partnership of the project:** as a general rule, the partnership should involve at least three financing partners from at least three participating countries, at least one of which shall be located in a Member State. Different implementation rules will apply, however, for specific schemes developed to support macro-regional strategies under Priority 4, where sole beneficiaries can also participate. Partners shall be competent for the development, implementation and follow-up of project results, and comply with all eligibility rules of the DTP.
- **efficiency in terms of mobilised resources** (financial, human, natural, etc): projects shall clearly demonstrate value for money coherent with the expected results. Also, projects shall have effective and transparent management and coordination structures and procedures, including a sound project communication strategy and tools to reach all relevant target groups and stakeholders. Foreseen expenditures to be reimbursed from Community funds must be eligible in accordance with Commission Delegated Regulation (EU) No 481/2014 of 4 March 2014 supplementing Regulation (EU) No 1299/2013 laying down specific rules on eligibility of expenditure as well as with additional Programme eligibility rules established by the MC.

Projects focussing on purely academic cooperation or basic research or aiming at mere networking and exchanging of experience and/or not demonstrating the translation of outputs arising from “soft” actions (surveys, studies, networks, etc.) into concrete and sustainable results will not be supported by the DTP.

Any support given by the programme falling under state aid (including *de minimis aid*) shall be in conformity with the legal framework of the European Union. The specific State aid rules to be applied will be described in the Application Manual.

#### 5.3.4 Contracting

The subsidy contract template will be developed by the MA and approved by the MC.

Project Lead Applicants will be informed in writing by the JS on the MC decision regarding the approval or rejection of their application, including the conditions/recommendations for approval or reasons for rejection. Following the formal MC decision (and possible condition clearing period) the MA will conclude a Subsidy Contract with the LB of each selected project.

#### 5.3.5 Eligibility of Beneficiaries and project partners

In line with Article 2(10) of the CPR, beneficiaries are responsible for initiating and/or implementing projects. They can be public or private legal entities or international organizations acting under the national law of any Danube Partner State (or under international law provided that the international organization fulfils the programme and

national requirements in terms of control and validation of costs); and shall cooperate in accordance with Article 12(4) of the ETC Regulation. The eligibility of applicants will be specified in the Application Package for each call for proposals. The MC can restrict the scope of eligible applicants for a given Call taking into account the specific arrangements of that CfP.

Entities may also be subcontracted by LBs or project partners to carry out parts of their activities in a project; in this case, the applicable public procurement rules have to be respected. In case of subcontracting, the responsibility for implementation of the respective project will remain with the contracting entity, i.e. the respective LB or project partner. For the award of service, supply and work contracts by IPA or ENI project partners, the procurement procedures shall follow the provisions of the relevant Financing Agreement.

As a general principle, eligible applicants of the DTP shall be located (registered) in the programme area (i.e. the whole territory of the DTP).

Central budgetary organizations/national public authorities, located outside the programme area, of those countries which are not participating with their whole territory in the Programme (Germany and Ukraine) are also eligible provided they are competent in their scope of authority for certain parts of the programme area. These organizations will have the same rights and obligations as any other project partners located in the DTP area.

In exceptional cases, if the MC decides accordingly, project applicants / beneficiaries located outside the programme area (within the EU or in third countries) may also be eligible up to maximum 20% of the support from the ERDF at programme level in accordance with Article 20(2) of the ETC Regulation, however, the benefit brought to the programme area by spending ERDF resources externally has to be monitored during both project selection and in the course of validation of project costs. The MC has the right to introduce territorial limitations in using the above derogation with regard to eligibility of operations depending on location for different Calls for proposals.

### 5.3.6 Involvement of non-EU member countries of the DTP

In accordance with the Preamble (37) of the ETC Regulation, third countries are allowed to **participate through contribution of IPA and ENI resources** in transnational cooperation programmes in order to strengthen the Union's economic, social and territorial cohesion and to reinforce effectiveness of its cohesion policy.

In order to ensure effective participation of non-EU member countries in the DTP, managed in accordance with the shared management principle, **programme implementation conditions** governing the financial management as well as programming, monitoring, evaluation and control of the participation of third countries through a contribution of IPA or **ENI resources** to the Programme as set out in the present CP as well as in the financing agreements **shall be respected by all participating countries** in line with Article 26 of the ETC Regulation. The integration of IPA **and ENI funds** into the programme management system is described in **Annex 09**.

The MC may decide not to allocate external funding to certain Calls for proposals.

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### 5.3.7 Information and communication

An overall communication strategy for the whole programming period will be developed in line with Article 116 of the CPR and submitted to the MC for approval within six months after the adoption of the Programme by the European Commission. It will take into account detailed rules concerning information and communication measures as laid down in Article 115 and Annex XII of the CPR. Detailed yearly information and publicity plans will be developed by the JS (with the involvement of NCPs) and will be subject to MC approval.

The JS and the network of NCPs are the key actors of implementing the yearly information and publicity plans. While overall responsibility for communications rests with the MA, participating countries shall complement transnational activities at national and regional level by setting up and securing the proper functioning of the network of NCPs. Danube projects shall also play an important role in communicating project achievements at all levels.

### 5.3.8 Reporting

In order to provide information on the progress of project implementation as described in the work plan of the project, Project Progress reports (PR) and Applications for Reimbursement (AfR) will be submitted by the LB to the MA/JS on a regular basis (generally in every 6 months) according to the provisions and deadlines outlined in the subsidy contract. The final progress report should be submitted together with the last AfR within three months after completion of the project.

The JS will check the compliance of the submitted PRs with the approved applications and verify the existence of the activities reported and progress made by analysing outputs delivered.

The JS may request additional information and ask for clarification from LBs. The JS will also carry out monitoring visits to meet project partners and in order to improve the performance of projects.

### 5.3.9 Financial control system

The process of verification within the meaning of Article 23(4) of the ETC Regulation as well as Article 125(4)(a)(b) and 125(5) of the CPR carried out at national level includes administrative verification in respect of each application for reimbursement by beneficiaries and on the spot verifications, as appropriate. Each participating country will designate controller(s) responsible for carrying out the verifications in relation to all beneficiaries on its territory.

The MA shall satisfy itself that the expenditure of each project partner participating in an operation has been verified by a designated controller. In principle, each Partner State should ensure that the expenditure can be verified within a period of two months from the submission of the documents by the project partners allowing for timely submission of PRs by the LB within a three months period from the end of each reporting period.

To ensure smooth functioning of the financial control system in the Partner States, representatives of controllers of each partner state will be organised in a **network of controllers** which will be coordinated and supported by the MA. Regular consultations

for the network of controllers shall be organised during the programme implementation period.

In order to ensure the common understanding of the rules applied for control at national level, “**Common Control Guidelines**” serving as a methodological guidance including standard templates will be developed at programme level by the MA.

Each participating country will, apart from the designation of the controllers, also be responsible for their training on EU, Programme and national requirements as well as for the quality check of the control work.

The MA, and the CA **should be regularly informed on the functioning of the control system** set up by each Partner State. Furthermore, to ensure coherence among control systems of all partner states, the MA will collect information from all Partner States on the establishment and functioning of the respective control systems **in accordance with Articles 72 and 74 of the CPR**. Partner States shall provide a description by using the template provided by the MA/JS. Changes in the respective system shall result in an updated description to be forwarded to the MA/JS without delay.

According to Article 125(4)(e) of the CPR, the **MA shall draw up the management declaration** of assurance on the functioning of the management and control system, the legality and regularity of underlying transactions and the respect of the principle of sound financial management, together with a report setting out the results of management controls carried out, any weaknesses identified in the management and control system and any corrective action taken.

The costs for national level control activities could be financed from national sources of the Partner States or (in case of decentralised systems) from the projects’ budgets.

### 5.3.10 Financial procedures

#### Description of financial procedures from project level to programme level (ERDF and IPA)

The financial management procedures for the DTP will be the same for the reimbursement of the ERDF contribution and for the IPA contribution. The process for payments to LBs will be described in details in the Programme Manual.

The financial procedure including the reimbursement of validated TA expenditure to TA beneficiaries will also be described in the Programme Manual to be approved by the MC.

#### Programme level financial procedures and verification process

The CA opens one single account to manage the ERDF and IPA funding, the national TA contributions and the transfers to the LBs and to the TA beneficiaries.

In support of the certification activity of the CA, the MA operates a **verification reporting system**. Before compiling the statement of expenditure to the European Commission the MA submits a programme level verification report on the procedures and verifications carried out in relation to expenditure included in the statements of expenditure.

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In order to have adequate information on the validation and verification of expenditure the MA will request information in the form of a Partner State verification report from each Partner State.

### **5.3.11 Resolution of complaints**

The procedures set in place for the resolution of complaints are differentiated according to the object of the complaint and will formally be regulated in the Programme Manual.

#### *Complaints related to assessment and selection:*

Project Lead Applicants will be informed in writing by the JS on the MC decision regarding the approval or rejection of their applications, including the reasons for rejection. Any complaint related to the assessment shall be submitted by the Lead Applicant to the MA that, in collaboration with the MC, will examine and provide its position regarding the merit of the complaint. In case of appeals, a „Review Panel” will be established consisting of members of the JS not involved directly in the assessment as well as the MA to conclude whether the appeal was justified or not. The MC may also be involved if deemed necessary.

#### *Complaints related to decisions made by the MA/JS during project implementation:*

Any complaints in relation to decisions made by the MA/JS during project implementation on the basis of the subsidy contract shall be submitted by the project LB to the MA/JS that will examine and provide an answer (in collaboration with the MC if necessary).

#### *Complaints related to the national control system:*

Project LBs or Project Partners who have complaints related to the national control system set up in accordance with Article 23(4) of the ETC Regulation, can file a complaint to the responsible national institution of the relevant Partner State following national procedures in place in accordance with Article 74(3) of the CPR. The relevant Partner State shall examine such complaints and inform the MA of the results.

### **5.3.12 Monitoring and information system**

In accordance with Article 125 (2) of the CPR, the MA is responsible for setting up of an electronic data exchange system to record and store in computerised form data on each operation necessary for monitoring, evaluation, financial management, verification and audit, including data on individual participants in operations.

The computer system used will support both the project cycle and the programme implementation and meet accepted security standards to ensure that the documents held comply with national legal requirements and can be relied on for audit purposes.

The development, implementation, support and maintenance of the programme monitoring and information system shall be financed from the TA budget.

### **5.3.13 Electronic data exchange system**

As stipulated in Articles 74 and 112 of the CPR, data exchange with the EC will be carried out electronically.

### 5.3.14 Annual and Final Implementation Reports

In accordance with Article 14 of the ETC Regulation and Art 50 of the CPR, the MA will submit annual implementation reports to the European Commission by 31 May 2016 and by the same date of each subsequent year until and including 2023 (except for the years 2017 and 2018, for which the deadline is set as 30 June). All reports shall be approved by the MC prior to submission. The annual implementation reports will be drafted by the MA/JS primarily on the basis of applicable data provided by projects in the project progress reports and final reports, and also by other programme management bodies. A final implementation report will be submitted to the Commission in due time following the same procedures as the annual reports.

### 5.3.15 Programme Evaluation

Evaluations shall be carried out to improve the quality of the design and implementation of programmes, as well as to assess their effectiveness, efficiency and impact. Evaluations will be carried out by internal or external experts that are functionally independent of the authorities responsible for programme implementation; and financed from the TA budget of the DTP.

An ex-ante evaluation of the Programme incorporating the requirements for strategic environmental assessment was carried out by independent evaluators in accordance with Article 55(3) of the CPR with the aim to improve programme quality. The recommendations of the evaluation have been taken into account during the drafting of the DTP as described in **Annex XXX**.

In accordance with Article 56 of the CPR the MA will ensure that evaluations are carried out on the basis of an evaluation plan to be approved by the MC in line with Article 110(2)(c) of the CPR. The evaluation plan drawn up by the MA will include the arrangements and timing of the external evaluations.

At least once during the programming period, an evaluation should assess how the support from the funds provided has contributed to the achievement of the objectives for each priority.

In compliance with Article 57 of the CPR, an ex-post evaluation shall be completed by the European Commission in cooperation with the Partner States by 31 December 2024.

### 5.3.16 Specific implementation rules of the TA budget

TA is necessary to assist the joint structures in implementing the programme, i.e. to support the activities of the MA, the JS, the certification and the audit activities and transnational activities of the NCPs.

Activities covered by the TA will be financed using the project management approach in the form of 'TA projects'. TA projects are jointly financed from Community contribution and national TA contribution of the Partner States. The share of national TA contributions of the Partner States to the TA budgets will be fixed per countries and per years in the **"Agreement on the contents of the Danube Operational Programme and confirmation of national co-financing"** in accordance with Article 8(9) of the ETC Regulation or in the relevant **Financing Agreements**.

The Partner States transfer their national TA contribution in advance on a yearly basis as follows:

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- 2014 and 2015 national TA contributions to be transferred until 31 January 2015;
  - From 2016, national TA contributions to be transferred by 31 January of the year concerned.

TA will be managed **in an integrated TA system**, including financial management procedures, eligibility rules and procurements to be regulated in the TA Manual of the DTP. Specific activities to be carried out within the scope of TA and management arrangements will also be described in the TA Manual.

### 5.3.17 Arrangements in case of implementation difficulties

In case of implementation difficulties the Partner States concerned shall support the MA/JS to clarify the individual cases and help to lift potential sanctions imposed to the Programme, to a LB or to a Project Partner.

#### Irregularities and recovery of funds unduly paid

In accordance with Article 122(2) of the CPR, Partner States shall prevent, detect and correct irregularities and shall recover amounts unduly paid, together with any interest on late payments. They shall notify the Commission of irregularities that exceed EUR 10,000 in contribution from the Funds and shall keep it informed of significant progress in related administrative and legal proceedings.

Responsibilities of Partner States related to handling irregularities contain two main duties, one is the reporting to the Commission and the other is the recovery of the amounts unduly paid.

The Partner States shall not notify the Commission of irregularities in relation to cases as defined in Article 122(2)(a-c) of the CPR.

In accordance with Article 143 of the CPR, the Partner States shall in the first instance be responsible for investigating irregularities and for making the financial corrections required and pursuing recoveries. For arrangements in case of irregularities and related financial corrections reference is made in Section 5.4 of the present document and will also be dealt with in the Financing Agreements.

Financial corrections (amounts to be withdrawn, deducted or recovered) required in connection with individual or systemic irregularities detected in projects or in TA projects of the DTP **will be supervised by the CA and included in the subsequent statement of expenditure submitted to the Commission.**

Systemic errors on Programme level might be detected by the AA and/or the GoA or the European Commission and might lead to financial corrections imposed by the European Commission based on Articles 85 and 144 to 147 of the CPR. In case of systemic errors detected, the MA/CA will make a recommendation on the possible means of handling the irregularity and consult the MC. The MC decides how to solve the problem.

The MA can recover money only from the natural or legal persons which are in contractual relation with the MA. In case an investigation has been initiated in relation to a possible irregularity affecting the expenditure of a project partner, the MA may interrupt the payment deadline referred to in Article 132(1). The LB concerned shall be informed in writing of the interruption and the reasons for it. Detailed procedures on the recovery of funds from the project partnership will be described in the Programme Manual and in the Subsidy Contract.

In case of interruption or suspension of payments by the European Commission due to errors, irregularities or even external factors, such as cash flow gaps at European level, the MA shall inform the beneficiaries and the MC about the suspension and the reasons for it immediately after being notified. The MA will develop an action plan to address the causes of the suspension in line with the indications provided by the European Commission. The MC shall be informed of all steps taken, in particular on the measures agreed with the European Commission and on the consequences of the suspension in the progress of the Programme.

#### **Non-respect of the agreed provisions and deadlines**

In case of non-respect of provisions agreed among Partner States (where controls or audits demonstrate systemic or recurrent errors, irregularities, fraud or breach of obligations especially which call into question the reliability of the internal control systems of the PSs concerned or the legality and regularity of the underlying transactions) the MA may propose to the MC the suspension of part or all of the payments to project partners located on the territory of the concerned Partner State in proportion to the seriousness of the errors, irregularities, fraud or of the breach of obligations, provided that the Partner State has been given the opportunity to make observations. In its proposal, the MA shall also set out the grounds for concluding that the Partner State has failed to take effective action. Decisions will be made on a case by case basis.

Procedures for handling cases of non-respect of agreed provisions and deadlines on project level will be provided for in the Subsidy Contract.

#### **5.3.18 Arrangements for the closure of the programme**

In accordance with the CPR, the final closure of the programme will be based only on the documents relating to the final accounting year and the final implementation report. The Partner States shall commit themselves to ensure that the submission of the closure package will be managed between all the involved parties on time, taking into account especially the aspect of financial and human resources (needed for the coordination, for providing an audit trail and proper documentation and maintaining a well-functioning monitoring and control system as well as to address further requests received by the European Commission after the submission of closure documents).

The MA together with Partner States undertake that all project activities can be performed and financial closure of projects should be concluded well before the end of the eligibility period to facilitate timely submission of the final implementation report.

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## 5.4 Apportionment of liabilities among the participating Member States in case of financial corrections imposed by the managing authority or the Commission

(Reference: point (a)(vi) of Article 8(4) of Regulation (EU) No 1299/2013)

Without prejudice to the Member States' responsibility for detecting and correcting irregularities and for recovering amounts unduly paid according to Article 122(2) CPR, and in accordance with Article 27 (3) of the ETC Regulation the **MA shall ensure that any amount paid as a result of an irregularity is recovered from the LB**. The project partners shall repay the LB any amounts unduly paid. If the LB does not succeed in securing repayment from a project partner or if the MA does not succeed in securing repayment from the LB, **the Partner State on whose territory the project partner concerned is located shall reimburse the MA** the amount unduly paid to that project partner. The MA is responsible for reimbursing the amounts concerned (once recovered) to the general budget of the Union, in accordance with the apportionment of liabilities among the Danube Partner States as laid down below.

Since Partner States have the overall liability for the Community support (ERDF/IPA) granted to LBs or PPs located on their territories, they shall ensure that – prior to certifying expenditure – any financial corrections required will be secured and they shall seek to recover any amounts lost as a result of an irregularity or negligence caused by a beneficiary located in their territory. Where appropriate, a Partner State may also charge interest on late payments.

The Partner States will bear liability in connection with the use of the programme ERDF/IPA funding as follows:

- Each Partner State bears liability for possible financial consequences of irregularities caused by the LBs and Project Partners located on its territory;
- For a systemic irregularity or financial correction on programme level that cannot be linked to a specific Partner State (i.e. grounded on the decisions of the MC), the liability shall be jointly borne by the Partner States in proportion to the ERDF/IPA claimed to the European Commission for the period which forms the basis for the financial correction;
- In case the MA, CA or AA commits an irregularity as being a TA beneficiary of the programme or with regard to any technical-level task related to its own responsibility, the Partner State on whose territory the concerned authority is located (i.e. Hungary) shall reimburse the European Commission the amount unduly paid.
- For TA expenditure incurred by national structures established by Partner States in order to support the programme implementation at national level (e.g. NCPs), the liability shall be borne by the Partner State where the concerned TA Beneficiary is located.

## 5.5 Use of the Euro (where applicable)

(Reference: Article 28 of Regulation (EU) No 1299/2013)

Method chosen for the conversion of expenditure incurred in another currency than the Euro

Expenditure incurred by project partners in a currency other than the euro shall be converted into euro by using the **monthly accounting exchange rate of the European Commission in the month during which expenditure was incurred**. This method shall be applicable to all project partners.

The conversion shall be verified by the controller in the Partner State in which the respective project partner is located.

## 5.6 Involvement of partners

Developing programmes according to the “partnership principle” is a distinct requirement by EU legislation. According to Article 5 of CPR the preparation of the cooperation programme should involve a partnership with competent regional and local authorities. The partnership shall also include the following partners: competent urban and other public authorities; economic and social partners; and relevant bodies representing civil society, including environmental partners, non-governmental organisations, and bodies responsible for promoting social inclusion, gender equality and non discrimination.

The main reason for involving stakeholders in programming is to identify mutual interests and needs, secure commitment and ownership for the programme and ensure its practical implementation.

The programme introduced a number of platforms for effective communication with relevant partners and stakeholders throughout the programming process.

The **programming committee** for preparation of the programme for 2014-2020 was established at the 5th of February 2013; and held **xxx** meetings. It encompasses primarily strategic partners for the transnational cooperation at national and regional level, namely:

- Austria, .....
- Bosnia and Herzegovina, .....
- Bulgaria,
- Croatia, .....
- Czech Republic, .....
- Hungary,
- Republic of Moldova,
- Montenegro,
- two states of Germany (Baden-Württemberg and Bavaria),
- Romania,
- Serbia,
- Slovak Republic
- Slovenia

- 
- Western provinces of Ukraine (Chernivetska Oblast, Ivano-Frankiviska Oblast, Zakarpatska Oblast and Odessa Oblast).....

All relevant partners involved in the preparation of the cooperation programme including bodies responsible for sustainable development, equal opportunities and non-discrimination are listed in chapter 9 (separate elements).

Representative of the European Commission were regularly invited and participated in the programming committee sessions. For particular themes, ad-hoc/thematic sub groups have been used in order to support the work of the programming group.

Additionally, programme partners were responsible for ongoing surveys among social and economic actors in respective regions. This process served as important input into the programming, especially in identifying Investment Priorities, verification of demand for various types of activities and establishing the financial plan.

After finalizing the first draft version of the Danube cooperation programme, in June 2014 the document was launched for a **public consultation procedure**. Since the document was not entirely finalized, only the first two Sections were opened for consultations: the strategy of the programme and the description of Priority Axes. In order to reach the largest possible participation, the procedure consisted of two elements: national stakeholder consultation events and online consultation. The aim was to match the needs and interests of the stakeholders and target groups from the region with the findings of the territorial analysis, the strategic framework provided by the EUSDR and the intervention approach already identified by the Programming Committee.

The **national stakeholder consultation events** were organized during June 2014 in most of the countries participating in the Danube Transnational Programme. The organization of the events was the responsibility of the members of the Programming Committee, technical assistance being offered by the team of external experts in charge with elaboration of the Cooperation Programme. The assistance consisted in supporting documents to be used in the organization and follow-up of the events (draft agenda, indicative screenplay, power point presentation of the draft Cooperation Programme, “harvesting sheets” to collect and centralize the comments and observations). Besides the role in helping the organizers in conducting the meetings, the supporting documents were important in order to secure similar approaches in all the countries, thus to ensure the extraction of comparable data.

Invitations to take part in the events were sent out to the relevant stakeholders existing in the databases of the representatives in the Programming Committee. Besides the beneficiaries of the previous transnational cooperation programmes, experts in relevant fields were also taking part in the events. In case the number of participants was sufficient, the organizers were encouraged to form four working groups, related to the four priority axes, in order to focus the discussion on the specific topics and to give the possibility for everybody to make their comments in their own field of competence.

The outcomes of the debates were centralized in the so-called “harvesting sheets” in order to better compare the data and manage the information, and are presented in full in the Annex to the present document.

While the national stakeholder consultations were addressing mainly the experts in the relevant topics, the **online survey** was open to a wider participation. The exercise

served as a bridge between a top-down and bottom-up approach to developing the cooperation programme.

The online platform was opened for the public in between 6th and 16th of June 2014. In order to reach as many relevant stakeholders as possible, besides the approximately 1500 invitation e-mails sent to the contact persons existing in the SEE JTS database, the procedure was advertised on Central 2014-2020 Programme's webpage as well.

The respondents were inquired along the fields of actions identified for each of the Thematic Objective and Specific Objective of the draft Cooperation Programme, which was available for downloading on the online platform. They were asked to rank the fields of actions according to their relevance for the region, from transnational cooperation perspective. Based on their opinion, the team of external experts prepared a set of recommendations related to their inclusion in the future Danube Programme. The recommendations are based exclusively on the results of the online survey, without considering other elements of the public consultation process.

In order to ensure a high degree of accuracy of the results, those questionnaires which did not contain the name of the organization were not taken into consideration. Counting only the valid ones, 257 questionnaires were filled in by the respondents.

The respondents were asked to mark their field of competence and to answer only those topics which are within their expertise. Nevertheless, they had the possibility to choose more than one field of competence, considering that among the responding organizations there were institutions with an active role in more than one topic (e.g. municipalities, development agencies, universities, etc).

Additionally, the stakeholders were given the possibility to make comments related to the content of the draft programme. More than 228 comments were received and analysed, the results being presented in the Annex to the present document.

The **Strategic Environmental Assessment (SEA)** of the programme was based on a public consultation process. A wider public in all Partner States had an opportunity to comment the programme, particularly taking into account the expected environmental impacts of implementation.

Representatives of relevant state administration and regional/local authorities as well as other socio-economic partners from both Member states actively participate in the implementation of the programme. They are members of the Monitoring Committee, which among other tasks is responsible for approval of appraisal and selection criteria and selection of operations to be funded from the programme.

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## 6 Coordination

### Coordination among ESI-Funds

The Partner States aim at using synergies and avoiding overlapping between the different ESI-funded programmes. Thus, coordination and complementarity with such programmes is essential for the envisaged most efficient and effective use of ERDF funds allocated to the programme.

The following activities have and will be undertaken by the programme to ensure coordination with other ESI-funded programmes:

In the phase of drafting the present document various consultations have been made on national and transnational level to ensure that the programme has a clear differentiation to other ESI-funded programmes.

When submitting project proposals the applicants will have to take responsibility that the proposed project is not financed by other ESI-funded programmes and will have to describe if and how the project is linked with other community, national and regional programmes and policies

During the process of project evaluation additionality, synergies and possible overlapping of the submitted project proposals with other projects and programmes will be checked.

The programme bodies will communicate and spread the results and outputs of projects funded by the programme as will be set out in the communication strategy.

The programme bodies (MA, JS and ACP) will have frequent contacts with representatives of other ETC programmes in the cooperation area and with the INTERACT programme to ensure an active exchange of information and experience about diverse projects and initiatives.

The EUSDR macro-regional strategy which will also help to better coordinate the programme with other ESI-funded programmes.

The Partner States will take respective measures to coordinate activities under the programmes with other ESI-funded programmes covering their territory.

### Coordination with other EU funding instruments

Furthermore, coordination with other union instruments relevant for policy areas concerned by the ERDF is important. The programme tackles issues that are complementary to diverse EU funding instruments; of particular relevance for the Programme area are the following:

- HORIZON 2020;
- Programme for the Competitiveness of Enterprises and SMEs (COSME) 2014-2020;
- LIFE;
- Connecting Europe Facility;
- High-growth and innovation SME facility (GIF);
- Risk Sharing Finance Facility (RSFF);
- PROGRESS.

Coordination with these other EU funding instruments will be ensured on project and on programme level. When submitting a project proposal, applicants will have to describe the coherence and complementarity of their project with other Union instruments of relevance for the topics addressed by their proposals.

At programme level coordination and complementarity shall be achieved by clearly communicating, especially in the terms of reference, and by taking into account in the phase of project evaluation that the programme will not supplement the above mentioned programmes but support projects that provide for a transnational dimension of these issues. This means that the programme could fund the preparation of projects that will be carried out in the framework of other programmes or vice versa that results achieved by projects funded by other programmes could be put in practise in a transnational dimension in the programme.

#### **Coordination with national and regional funding instruments**

Transnational projects have the potential to improve national, regional and local policies and related funding instruments. With regard to the principle of proportionality and within the given limits the programme will seek to coordinate with national and regional funding instruments. This shall be done in the following ways:

During the project evaluation the coherence and complementarity with national and regional policies will be assessed by applying respective selection criteria;

The Partner States will take respective measures to coordinate activities under the programme with national and regional funding instruments in place in their territory.

#### **Coordination with EIB**

Projects funded by the programme can prepare the ground for large investments which could be funded by financial instruments administered by the EIB. Coordination with EIB will be sought by the programme through information and support to beneficiaries on funding possibilities offered by the EIB which could be used for follow-up measures on projects funded by the programme.

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## 7 Reduction of the Administrative Burden for Beneficiaries

Simplification presents itself in many forms, some of them explicit and direct, while others may need transposition in the national rules. Some of the key aspects of simplification **are already included in the regulatory proposals of the Commission**; they can be achieved through different methods, such as harmonisation of rules (e.g. CPR for several funds; DA for eligibility in ETC programmes, e-cohesion), increased flexibility and proportionality (e.g. lighter annual reports, introduction of rolling closure), digitalisation of documents and processes, and the clarification of the implementation rules.

Simplification and streamlining programme implementation is essential for the proper functioning of the **Danube Programme**, inasmuch as, it allows reducing administrative burdens of both beneficiaries and programme management bodies. A wide range of experiences and lessons learnt are available – **gained during the implementation of the SEE Programme** – which have been considered already in the preparation phase of the Danube Programme. Such simplification measures include:

- Keeping the programme management structure as simple as possible and **integrating JMA and JS functions** will considerably reduce both the length of the procedures and the cost of management, and at the same time ensures an enhanced transparency.
- Special attention will be paid to the **timely reimbursement of funds** to final beneficiaries: based on the application for reimbursement approved by the JS the CA transfers the ERDF and IPA contribution **directly** to Lead Beneficiaries (i.e. no intermediate body will be involved as in case of the SEE Programme in the 2007-2013 period) leading to quicker payment of Community funds.
- The **financial management system** of the Danube Programme will be further simplified by having one single bank account managed by the CA (compared to 5 bank accounts handled in case of the SEE Programme in the 2007-2013 period). All transfers of funds (Community and national TA contributions of operations for 14 Partner States) will be settled on the **single programme bank account**, resulting in time-, and cost saving payment procedures.
- **Harmonised procedures** allowing more **intense coordination of national control systems** will be introduced by establishing a direct link between the joint programme management and the national control systems in the Monitoring System of the Programme.
  - Controllers of all 14 Partner States will have the possibility to **verify expenditure** of relevant project partners **in a single Monitoring System**, which makes all financial data uniform as well as retrievable. The process would not only be more transparent, but also much faster for LBs, as cumulative data will be compiled automatically from partner level to project level by the Monitoring System; ensuring an adequate audit trail. In addition, this would reduce problems in data retention, mistakes in data insertion, and the burden of submitting hard-copies of documents.
  - **Connecting procedures for controls, submission of Project Progress Reports by the LBs and the monitoring of programme level financial data** by the JMA/JS would substantially reduce the timeframe of the verification process.
  - The **submission of applications and supporting documents will be requested only in electronic version at the application phase** (by direct data entry via the front office of the Monitoring System and uploading of

scanned documents); signed hardcopies are to be provided only if an application is selected for funding by the MC. Such simplification of the submission procedure of applications (i.e. by eliminating formal/administrative requirements) could considerably reduce the number of ineligible applications; at the same time it recognizes the efforts spent by project partnerships in preparing them as well as spares programme resources.

- **Streamlined monitoring of project progress** which would also contribute to speeding up the reimbursement process: the JS shall focus on the **analysis of main deliverables** (clearly defined beforehand) rather than the analysis of minor outputs (such as meeting documentation) which will be checked by the Controllers at national level. The **number and complexity of indicators** used for reporting on the project progress should also be **limited** to those which directly reflect Programme-level indicators. This would allow reducing the time needed for preparing and analysing PRs, as well as the time and HR resources necessary for completing clarification rounds.

Based on on-going discussions facilitated by INTERACT the following measures are considered to be implemented by the Danube Programme:

- Application of **harmonised** (and more user-friendly) **templates** agreed between various territorial cooperation programmes (based on INTERACT “HIT”) could significantly reduce the administrative burden for beneficiaries both in the application phase and during implementation. The use of aligned first level control documents would ensure that project partners as well as Controllers participating in several ETC Programmes face the same requirements and procedures.
- The **application and reporting forms** will be developed on the basis of the HIT template, so that cross-programme harmonized approaches could be exploited by applicants of different ETC programmes.
- The implementation of **uniform eligibility rules** (with regard to staff costs, office and administrative expenditure, travel and accommodation costs, external expertise and services costs and equipment expenditure) at the level of ETC would definitely lead to more transparent programme management systems and eliminate the risk of mistakes in reporting. Furthermore, a common set of ETC eligibility rules will ease the work of Controllers.
- Possibilities for the use of **simplified costs options** (especially with regard to the application of flat rates for office and administrative expenditure and staff costs).

In addition to streamlined reporting and control requirements, the Danube Programme also aims to **simplify procedures** for project implementation by introducing a certain level of flexibility in the **contracting** and **project modification procedures** (e.g. the revision of project start date will be allowed during the condition clearing phase, after the MC approval; changes in the work plan and small budget reallocations will be allowed without the prior approval of the JS as long as the aims and outputs of the project would be reached; rules for submitting formalised addenda will be lighter depending on the type of change, etc.).

As for **operations implemented outside** the Union part of the Programme area, the direct application of the derogations referred to in paragraphs 2 of Article 20 of the ETC Regulation could be substituted for more coordinated and harmonized implementation

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of cooperation programmes or for compiling new types of projects in terms of partnership.

## 8 Horizontal Principles

### 8.1 Sustainable development

The Common Provisions Regulation (CPR, Article 8) states: *“Member States and the Commission shall ensure that environmental protection requirements, resource efficiency, climate change mitigation and adaptation, biodiversity and ecosystem protection, disaster resilience and risk prevention and management are promoted in the preparation and implementation of Partnership Agreements and programmes.”*

Important sources to systematically consider the sustainable development principle in the programme preparation phase are the Strategic Environmental Assessment (SEA) and the ex-ante evaluation.

The purpose of the SEA is to *“provide for a high level of protection of the environment and to contribute to the integration of environmental considerations into the preparation and adoption of plans and programmes with a view to promoting sustainable development.”*

The ex-ante evaluation verifies the adequacy of planned measures in the programmes to promote sustainable development. The SEA process was introduced in parallel to the ex-ante evaluation, and main findings were incorporated into the ex-ante report.

At the operational level the following aspects should be considered during programme implementation (indicative list to be considered if applicable):

- Selection of investment-related projects in view of highest resource efficiency and sustainability
- Prevention of investments with considerable negative environmental and climate effects
- Develop a long-term perspective when comparing life-cycle costs of various investment options
- Increased use of sustainable procurement (green public procurement).

The assessment of the quality of the eligible project proposals should be based on a set of quality criteria which are common to all Priority Axes and Investment Priorities (see the provisions in chapter 5.3 on the selection of operations)

As a technical tool for the assessors the following aspects should to be considered in project selection (indicative list to be considered if applicable):

- Contribution to energy efficiency, renewable energy use and reduction of greenhouse gas (GHG) emissions
- Contribution to efficient water supply, waste-water treatment and water reuse
- Application of green public procurement in a systematic manner
- Contribution to efficient waste management, re-use and recycling
- Contribution to the development of green infrastructures including Natura 2000 sites
- Contribution to reduced transport and mobility-related air pollution
- Contribution to sustainable integrated urban development

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- Contribution to enhanced awareness of adaptation to climate change and risk prevention
  - Contribution to more employment opportunities, education, training and support services in the context of environment protection and sustainable development

The estimated decrease of greenhouse gas emissions, the increase in energy efficiency and in renewable energy production are EU 2020 headline target indicators and should be monitored across supported operations (if applicable).

## 8.2 Equal opportunities and non-discrimination

The Common Provisions Regulation (CPR, Article 7) states: *“Member States and the Commission shall take appropriate steps to prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation and implementation of programmes. In particular, accessibility for persons with disabilities shall be taken into account throughout the preparation and implementation of programmes.”*

Non-discrimination covers not only women (and men), but any discrimination based on racial or ethnic origin, religion or belief, disability, age or sexual orientation. While anti-discrimination legislation is an acquired aspect of EU legal systems, the practical implementation of anti-discrimination practices is lagging behind. In terms of equal access to ESI funding this could mean, for example, that ESI funded tourism projects are not accessible to people with disabilities (and that nobody checks whether they are) or that people with a migrant background do not have equal access to e.g. business-related funding because they do not have access to the information on the funding or do not know how to apply. Equal access to information and an adequate system of checking whether equality and non-discrimination requirements are being met are an issue.

The European Commission leaves the implementation of the principles of equal opportunities and non-discrimination in the programming and implementation up to the Member States.

In the preparatory phase of the cooperation programme, the MA provided a wider public, including organisations promoting equal opportunities and non-discrimination, with the opportunity to comment on the content of the CP.

In order to adequately implement the horizontal principles of equal opportunities and non-discrimination the following issues should be taken into account and the following non-exhaustive list of questions can be asked:

- **Project selection:** The principle of equal access is essential for this point. Related question are, for instance: Are different social groups adequately informed of the availability of funding? Are there barriers in terms of how the projects/measures are promoted (e.g. where they are advertised, language etc)? Were special needs of people with disabilities considered during the conception of measures (e.g. eligibility of costs for barrier free solutions)? Is equal access taken into account in the selection criteria for projects? Are projects required to demonstrate their equal opportunity procedures? Equality checklists and questionnaires for the project promoters could be developed. For the fulfilment of equal opportunity and non-discrimination criteria bonus points could be introduced.

- **Project realisation and project implementation:** Are project promoters aware of non-discrimination issues? Have equal opportunity targets been set? Have equal opportunities trainings or diversity management courses been considered? Is childcare available? Are the measures accessible to all in terms of location (e.g. accessible by public transport) and infrastructure (e.g. wheelchair access)?
- **Monitoring:** Are relevant indicators planned and used in order to be able to judge to what extent equal opportunity principles have been respected? Have the relevant stakeholders (NGOs, associations, equal opportunity officers etc.) been involved in the Monitoring Committees? In order to measure the progress of the promotion of equal opportunities and non-discrimination, the involvement of potentially discriminated groups should be considered in monitoring and evaluation planning. If data protection laws allow it, the number of minority groups (migrants, people with migrant backgrounds, Roma, ethnic minorities etc) participating in measures could be counted.
- **Evaluation:** The topic of equal opportunities and non-discrimination and the way the programme contributes to these principles should be taken into consideration.

In practice, each project will be subject to the verification of compliance with equal opportunities and non-discrimination principles defined in EU and national legislation within the assessment and selection procedure. In order to increase the efficiency of the implementation of these principles, internal and external assessors will participate in a special training on this issue. Compliance with equal opportunities and non-discrimination will be part of the assessment criteria (see chapter 5.3 on the selection of operations).

### 8.3 Equality between men and women

The aim of equality between women and men is part of the fundamental values of the European Union. Article 3 of the Treaty of Lisbon sets out that the Union shall “*combat social exclusion and discrimination, and shall promote social justice and protection, equality between women and men, solidarity between generations and protection of the rights of the child*”.

The elimination of inequalities and the promotion of equality between women and men are also included in the consolidated version of the Treaty on the Functioning of the European Union.

These fundamental values must be respected in the implementation of the ESI Funds of the European Union as stated in the Common Provisions Regulation (CPR): “*Member States and the Commission shall ensure that equality between men and women and the integration of gender perspective is promoted in the preparation and implementation of programmes*” and that the “*Member States and the Commission shall take appropriate steps to prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation and implementation of programmes*”.

The following issues should be taken into consideration and the following non-exhaustive list of questions should be asked:

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- **Project selection:** Gender mainstreaming means making sure that the principles of equal access are actually applied. Important questions are, for instance: Is gender mainstreaming taken into account in the formulation of the selection criteria for projects? Is a gender expert involved in any stages of the process? Do projects have to demonstrate their equal opportunity procedures?
  - **Gender budgeting** takes this approach one step further to ensure the fair distribution of EU funding to women and men by looking at expenditure on women and men and the types of measures being funded. Relevant questions can be, for instance: Are women and men benefiting equally from high-quality measures? Or does a significant number of women take part in cheaper, shorter measures while men take part in more expensive, longer measures?
  - **Project realisation and project implementation:** Are project promoters aware of gender and non-discrimination issues? Which significance is given to the gender perspective in the projects? Have gender and equal opportunity targets been set? Has training been considered? Is childcare available? Are the measures accessible to all in terms of location (e.g. accessible by public transport)?
  - **Monitoring:** Are the relevant indicators planned and used in order to be able to judge to what extent gender and equal opportunity targets have been reached? In order to measure the progress of the promotion of equality between women and men and non-discrimination, the involvement of women and men and potentially discriminated groups should be considered in the monitoring and evaluation planning. Basic features of 'gendered' monitoring include:
    - counting the number of women and men participating in measures
    - counting the number of women and men benefiting from funding
    - calculating how much support and for which measures women and men are receiving funding (broken down by types of measure)

Without indicators broken down by gender, the equal distribution of funding will be impossible to evaluate at a later stage. Therefore, it is proposed to include the monitoring and evaluation measures with respect to gender equality and non-discrimination in the Evaluation Plan (EP).

- **Evaluation:** Have output and financial indicators been set in the programme? Have the necessary steps for monitoring been prepared in the EP? What is the specific contribution of the programme to promote equality between men and women?

In practice, each project will be subject to the verification of compliance with equal opportunities and non-discrimination principles defined in EU and national legislation within the assessment and selection procedure. In order to increase the efficiency of the implementation of these principles, internal and external assessors will participate in a special training on this issue. Compliance with equal opportunities and non-discrimination will be part of the assessment criteria (see chapter 5.3 on the selection of operations).

## 9 Separate Elements

### 9.1 Major projects to be implemented during the programming period

Not applicable

### 9.2 Performance framework of the cooperation programme

**Table 52. Performance framework (summary table)**

The summary table is generated automatically by the SFC2014 based on the tables outlined by priority axis.

### 9.3 Relevant partners involved in the preparation of the cooperation programme

The following partners participated in the preparation of the CP as members of the Programming Committee:

- Austria, .....
- Bosnia and Herzegovina, .....
- Bulgaria,
- Croatia, .....
- Czech Republic, .....
- Hungary,
- Republic of Moldova,
- Montenegro,
- two states of Germany (Baden-Württemberg and Bavaria),
- Romania,
- Serbia,
- Slovak Republic
- Slovenia
- Western provinces of Ukraine (Chernivetska Oblast, Ivano-Frankiviska Oblast, Zakarpatska Oblast and Odessa Oblast).....

#### **Institutional bodies which were consulted during programme preparation in Austria (including bodies responsible for sustainable development, equal opportunities and non-discrimination)**

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#### **Institutional bodies which were consulted during programme preparation in Bosnia and Herzegovina (including bodies responsible for sustainable development, equal opportunities and non-discrimination)**

- xxx

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**Institutional bodies which were consulted during programme preparation in Bulgaria (including bodies responsible for sustainable development, equal opportunities and non-discrimination)**

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**Institutional bodies which were consulted during programme preparation in Croatia (including bodies responsible for sustainable development, equal opportunities and non-discrimination)**

- 

**Institutional bodies which were consulted during programme preparation in Czech Republic (including bodies responsible for sustainable development, equal opportunities and non-discrimination)**

- 

**Institutional bodies which were consulted during programme preparation in Hungary (including bodies responsible for sustainable development, equal opportunities and non-discrimination)**

- 

**Institutional bodies which were consulted during programme preparation in Republic of Moldova (including bodies responsible for sustainable development, equal opportunities and non-discrimination)**

- 

**Institutional bodies which were consulted during programme preparation in Montenegro (including bodies responsible for sustainable development, equal opportunities and non-discrimination)**

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**Institutional bodies which were consulted during programme preparation in Germany / Baden-Württemberg, (including bodies responsible for sustainable development, equal opportunities and non-discrimination)**

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**Institutional bodies which were consulted during programme preparation in Germany / Bavaria, (including bodies responsible for sustainable development, equal opportunities and non-discrimination)**

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**Institutional bodies which were consulted during programme preparation in Romania (including bodies responsible for sustainable development, equal opportunities and non-discrimination)**

•

**Institutional bodies which were consulted during programme preparation in Serbia (including bodies responsible for sustainable development, equal opportunities and non-discrimination)**

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**Institutional bodies which were consulted during programme preparation in Slovakia (including bodies responsible for sustainable development, equal opportunities and non-discrimination)**

•

**Institutional bodies which were consulted during programme preparation in Slovenia (including bodies responsible for sustainable development, equal opportunities and non-discrimination)**

•

**Institutional bodies which were consulted during programme preparation in Slovak Republic (including bodies responsible for sustainable development, equal opportunities and non-discrimination)**

•

**Institutional bodies which were consulted during programme preparation in Western provinces of Ukraine (including bodies responsible for sustainable development, equal opportunities and non-discrimination)**

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#### **9.4 Applicable programme implementation conditions governing the financial management, programming, monitoring, evaluation and control of the participation of third countries in transnational and interregional programmes through a contribution of ENI and IPA resources**

Not applicable.

## 9.5 NUTS regions covered by the programme area

On 18th of December 2012, the European Commission initiated the establishment of a new transnational cooperation programme for the 2014-2020 period. Based on the Commission's recommendation, the Danube Programme area covers Austria, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Republic of Moldova, Montenegro, two states of Germany (Baden-Württemberg and Bavaria), Romania, Serbia, Slovakia, Slovenia and the western provinces of Ukraine (Chernivetska Oblast, Ivano-Frankivska Oblast, Zakarpatska Oblast and Odessa Oblast).

Figure 13. NUTS regions in the programme area



## 10 Annexes (uploaded as separate files)

See separate WORD document with the following annexes:

01	Responsibilities of the Partner States and the list of responsible authorities
02	Programme management structure (chart)
03	Monitoring committee
04	Managing authority and joint secretariat
05	Certifying authority
06	Audit authority and the list of bodies designated to carry out audit tasks (members of GoA)
07	Tasks of the national contact points
08	Management verifications and the list of bodies designated to carry out controls
09	Integration of external funds