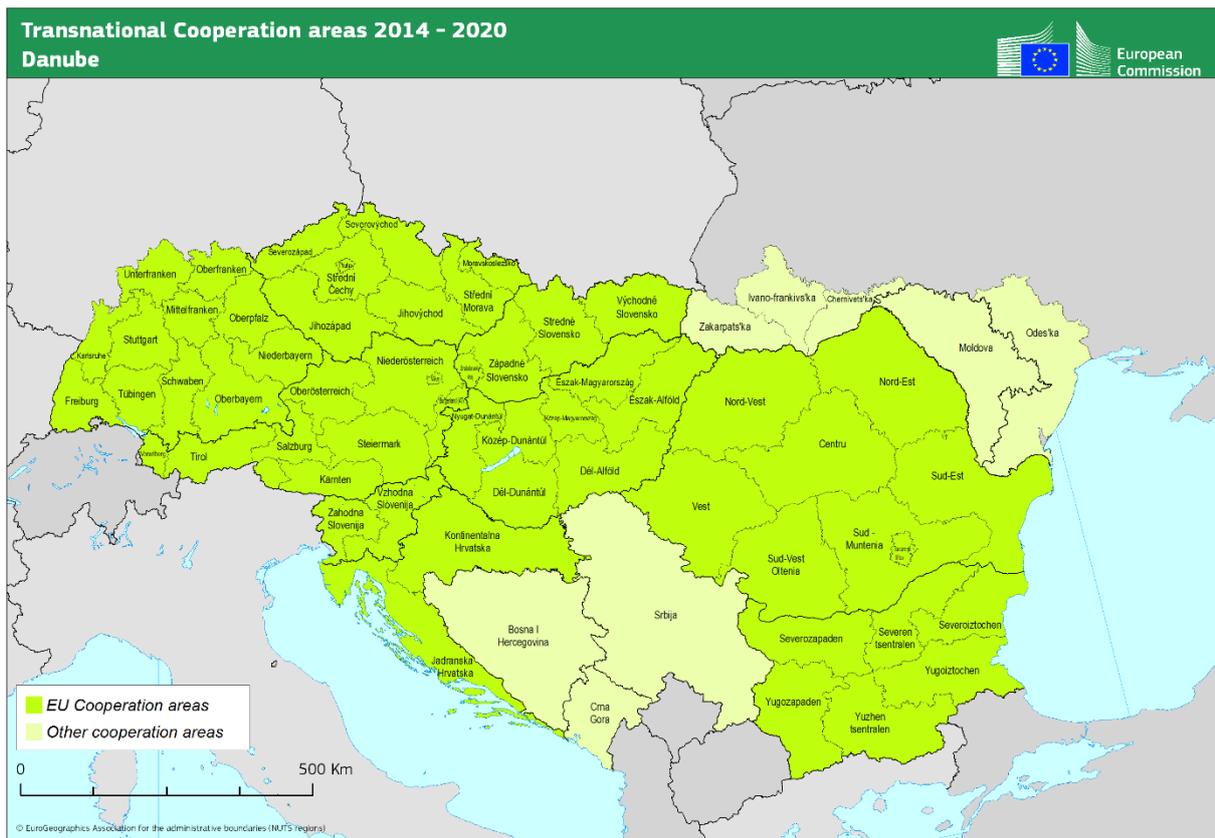


Draft ORIENTATION PAPER

Danube Transnational Programme 2021- 2027



Cooperation Area of the Danube Transnational Programme, proposed to remain unchanged for the 2021-2027 period

Executive Summary

This Orientation Paper is a document of the Commission aimed at launching a discussion on the **Danube Transnational Programme 2021-2027 (future DTP)** with partner countries concerned. It does not represent the negotiating position of the European Commission, but is destined to provide ideas, options and orientations on the thematic focus of the future programme.

The guiding principles for drawing this Orientation Paper are the following:

1. **Coherence with Macro-Regional Strategies:** The future Danube Interreg programme is destined to closely link to the European Strategy for the Danube Region (EUSDR), and has therefore to comply with Article 15 (3) of COM(2018)374, requiring programming of the total ERDF contribution on the objectives of that strategy. Macro-Regional Strategies such as the EUSDR have been defined¹ as an integrated framework endorsed by the European Council, which may be supported by the Cohesion Policy funds among others, to address common challenges faced by a defined geographical area relating to Member States and third countries located in the same geographical area, which thereby benefit from strengthened cooperation contributing to achievement of economic, social and territorial cohesion. To this end, the existing Danube transnational programme is already perfectly aligned to the EUSDR.
2. **The Functional Area principle:** A functional area is generally characterized by interdependencies or links within territories, where functional connections either unite or isolate territories and areas influenced by them. For transnational cooperation, functionalities can be found from joint characteristics, joint challenges and development potentials and the need and potential to address them jointly with the aim of delivering tangible results. Transnational cooperation is reaching its full potential when there is a strong will to address those challenges jointly.
3. **The Thematic Concentration principle:** In view of the limited budgetary resources and the requirement to focus support in areas where EU funds can achieve the highest benefit, the programme should concentrate on thematic key areas where joint actions can have the biggest impact. In doing so, EU funds would focus on a limited set of objectives and policy areas, thus achieving the highest possible impact, in terms of efficiency of funding and result orientation.

Based on these principles, the European Commission suggests concentrating the available ERDF contribution on:

Policy Objective 1 (a smarter Europe by promoting innovative and smart economic transformation),

Policy Objective 2 (a greener, low-carbon Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate adaptation and risk prevention and management),

Policy Objective 5 (a Europe closer to citizens by fostering the sustainable and integrated development of urban, rural and coastal areas and local initiatives), and on the

Interreg-specific objective of a better Interreg governance, as described in Art. 14 (4) of the draft ETC regulation². The **future DTP** should continue to support the governance of the EUSDR, considering its

¹ Definition according to regulation (EU)1303/2013, Art. 2 (31).

² Proposal for a regulation on specific provisions for territorial cooperation, COM (2018)374 final.

potential of leveraging a large spectrum of investments from different sources, including from relevant national and regional EU funded programmes.

These objectives comply with the strategic framework of the European Union Strategy for the Danube Region (EUSDR) and with European Union (EU) priorities.

A. INTRODUCTION

1. This position paper sets out key characteristics of the Danube Region (based on the geographical scope as defined in Annex 1). Its aim is to elaborate challenges, options and recommendations for the next transnational (Interreg B) programme in this area. It is part of a series of similar documents prepared by DG REGIO for all Transnational Cooperation Programmes under the European Regional Development Fund (ERDF).
2. The purpose of this position paper is to serve as a basis for a constructive dialogue during the programming process of the future DTP Cooperation Programme for the 2021 – 2027 period.
3. This document is mainly based on Commission Reports and data from Eurostat, ESPON and Interact.
4. The DTP completely covers the same territory as the EU Strategy for the Danube Region (EUSDR), a macro-regional strategy that has been initiated by the states and regions of which the Danube Region is composed and which was adopted by the European Commission in 2010 and endorsed by the European Council in 2011. Furthermore, the proposed ETCR ("ETC Regulation" – Proposal for a Regulation COM (2018)374) foresees under Art. 15 (3) that the total budget of the future DTP shall be programmed on the objectives of EUSDR. For that reason, the DTP has to be closely linked to the EUSDR. It is crucial to understand the role of the DTP and its connection with the EUSDR, especially when it comes to the aim of embedding the strategy into larger "mainstream" programmes such as ERDF and ESF+, and further centrally managed programmes like Horizon Europe, TEN-T, or Digital Europe.
5. The future DTP should therefore not be limited to the purpose of funding projects, but should also seek to enhance the capacities of the stakeholders in the Danube Region, so that they can participate to a wider scope and with a greater success at "mainstream" project calls. This is why special attention should also be given to governance issues.

B. Challenges and raison d'être of the functional programme area

6. The programme area for the DTP should remain the same as in 2014-2020, as it is already fully aligned with the area of the EUSDR.

The participating countries are:

AUSTRIA: the whole territory;

BOSNIA and HERZEGOVINA: the whole territory;

BULGARIA: the whole territory;

CROATIA: the whole territory;

CZECH REPUBLIC: the whole territory;

GERMANY with the two southern Bundesländer Baden-Württemberg and Bayern;

HUNGARY: the whole territory;

MOLDOVA: the whole territory;

MONTENEGRO: the whole territory;

ROMANIA: the whole territory;

SERBIA: the whole territory;

SLOVENIA: the whole territory;

SLOVAKIA: the whole territory;

UKRAINE: with the oblasts Chernivtsi, Ivano-Frankivsk, Odessa (bordering Romania) and Transcarpathia (bordering Slovakia, Hungary and Romania)

7. The programme area is home for 115 million people. It comprises nine EU member states and five non-EU members; three of the latter are candidate countries (Montenegro and Serbia) or a potential candidate (Bosnia and Herzegovina). That means that three different support / funding mechanisms are applicable: the ERDF with its special provisions for European Territorial Cooperation (ETC), the IPA (Instrument for Pre-Accession Assistance) for candidate countries, and the ENI (European Neighbourhood Instrument) for the neighbouring countries Moldova and Ukraine.
8. The DTP area is partially overlapping with three other transnational programme areas: Adriatic-Ionian (Slovenia, Croatia, Serbia, Bosnia-Herzegovina, Montenegro), Alpine Space (parts of Germany, Austria, Slovenia), Mediterranean (Bosnia-Herzegovina, Croatia, Montenegro, Slovenia) and - most largely - with Central Europe (Germany, Austria, Czech Republic, Slovakia, Slovenia, Hungary, Croatia). There is also a partial geographical overlap with the territories of the European Strategies for the Alpine Region (EUSALP) and the Adriatic-Ionian Region (EUSAIR). It is important to consider this overlap, as it calls for a strong coordination among the Interreg programmes.
9. The functional area is built along the basin of the 2,857 km long course of the Danube River, making it the longest stream in the EU and the second biggest river in overall Europe (only the Volga River is longer). The Danube touches ten different countries – no other stream worldwide compares to this. This makes the Danube basin and his tributaries like the Inn, Morava, Drava, Tisza, Sava or Pruth, a natural field for transnational cooperation.
10. This leads also to some of the main sectors of cooperation which are connected directly to the Danube River system: water quality (about 10 million people get their drinking water directly from the Danube), biodiversity (e.g. Danube Delta), or navigability and transport.
11. Moreover, the Danube Programme Area is also comprising large mountain areas (see ANNEX 2): A big part of the Carpathians (Czech Republic, Slovakia, Serbia, Hungary, Ukraine, Romania), a part of the Eastern Alps (Bavaria, Austria, Slovenia), the Balkan, etc. These areas face specific geographical challenges and have to be taken also into account when dealing with the rural areas in the Danube region. Especially the Carpathians might deserve more awareness, as six Danube region countries are touched and many challenges there have a transnational character. For this specific area, existing coordination networks as the Carpathian Convention could be stronger involved. One might also think about means which are especially dedicated to mountainous areas, like an own priority axis, a targeted call, or some earmarked budget.
12. The functional area also includes maritime coasts to the Adriatic and the Black Sea. Links to the Adriatic can be covered by a close cooperation with the ADRION programme and the EUSAIR respectively. Concerning the Black Sea, the DTP could strengthen links to the Black Sea Synergy process and other networks in the Black sea area like the Organisation of the Black Sea Economic Cooperation (BSEC).

13. The EUSDR defines thematically 12 Priority Areas as fields of transnational actions. However, in the process of the revision of the EUSDR Action Plan, many cross-cutting topics were elaborated where the Priority Areas need to be coordinated more effectively. The future DTP could trigger this cross-topic cooperation by including them (or some of them) in its programming.
14. One main socio-economic characteristic of the Danube region is the distinct dissimilarity between the upstream and the downstream countries. This is of course a major challenge, but also a strong incentive for cooperation.
15. Cohesion also means decreasing the disparities between urban and rural areas within the Danube Region; and not to forget social cohesion, when it comes to social inclusion, tackling poverty, equal opportunities, combating discrimination, and the protection of minorities and migrants (cf. Art. 14 (3) and (5) ETCR).
16. This leads to the overarching objective: fostering cohesion in the Danube Region. In practice, this means that each DTP project proposal should be also assessed on its contribution to decreasing the persistent upstream-downstream gap.
17. Taking into consideration the limited scope of available funding that the future DTP can provide, this cannot be done by the DTP alone; it is crucial that a strong coordination is sought mainly with the national ERDF and ESF (resp. IPA) funds to create synergies or complementarities. It will be necessary to focus on those sectors that most probably provide the highest contribution and added value to transnational cooperation and where DTP can best serve as a catalyst for further transnational cooperation.

18. **Orientation:** Though the future DTP area is functionally defined by the Danube River Basin and its tributaries, it comprises a much more diverse area with mountains and large forests. The often described upstream-downstream perspective should thus be widened to an urban – rural dimension and take also into account geographic areas with specific challenges like mountain areas.
19. **Orientation:** The future DTP area overlaps geographically with other transnational programme areas. There might be positive overlaps, when programmes identify complementarities; however, negative overlaps (such as providing funding for the same topic) should be avoided. This leads to a need for a close coordination with other programmes and funds working in the region (mainly, but not only with Cohesion Policy Funds). The need for coordination will have to be addressed already during the programming phase (e.g. joint task force meetings), and also by the governance of the future DTP.

Lessons learnt from previous programming periods

20. During the programming period 2007-2013, the territory defined today as Danube Region was covered by the South-East Europe Programme (SEE) and by the Central Europe Programme. Because of their different scope, a direct comparison on the programme level is not appropriate; however, there are a number of current projects whose forerunners were initiated under the SEE, like the DANUBEPARKS, or NEWADA³.

³ See <http://www.danubeparks.org> ; <http://www.newada-duo.eu>

21. The current Danube Transnational Programme 2014-2020 is the direct predecessor of the Danube Programme 2021-2027. Its territory has been already fully aligned with the EUSDR area in 2014, making it a “natural partner” for the EUSDR. According to the annual implementation reports and other information available, this programme is running very well, and it has created many successful projects. The programme authorities can build on this good experience.
22. The total 2014-2020 programme budget is 274.578.077 €, including the EU support (231.924.597 €) and the national co-financing (42.653.480 €). This means that theoretically, the funding available per capita would be 2,39 €.
- The DTP is the only EU transnational cooperation programme where support comes from three different funds:
- European Regional Development Fund (ERDF) (202.095.405 €)
 - Instrument for Pre-Accession Assistance II (IPA II) (19.829.192 €)
 - European Neighbourhood Instrument (ENI) (10.000.000 €)
- Though this implies a more sophisticated management, the implementation of the programme is currently satisfying. Experience showed that possible challenges lie in the slow implementation of financial and audit schemes.
23. Thematically, the DTP 2014-2020 has been linked to the EUSDR Priority Areas (PA) as follows:
- Pillar 1: Innovative and socially responsible Danube region (75.980.561 €); Specific Objectives:
- Improve framework conditions for innovation – PA 7, 8
 - Increase competences for business and social innovation – PA 8, 9
- Pillar 2: Environment and culture responsible Danube region (86.834.927 €); Specific Objectives:
- Strengthen transnational water management and flood risk prevention – PA 4, 5
 - Foster sustainable use of natural and cultural heritage and resources – PA 3, 4, 5, 6
 - Foster the restoration and management of ecological corridors – PA 6
 - Improve preparedness for environmental risk management – PA 5
- Pillar 3: Better connected and energy responsible Danube region (56.985.422 €); Specific Objectives:
- Support environmentally-friendly and safe transport systems and balanced accessibility of urban and rural areas – PA 1a, PA1b
 - Improve energy security and energy efficiency – PA 2
- Pillar 4: Well-governed Danube region (35.276.689 €); Specific Objectives:
- Improve institutional capacities to tackle major societal challenges – PA 9, 10
 - Support to the governance and implementation of the EUSDR – PA 10
24. The DTP so far managed to conclude two call for proposals, 76 projects with an average funding volume of 1.8 million EUR were selected in the 1st and 2nd call. It can be expected that the projects selected in the 1st and 2nd call contribute to a large extent to the planned programme results. The screening confirms the selection of projects with a high potential to contribute to the expected programme results – 93% of programme results are addressed.⁴

⁴ Source of Information: Operational Evaluation of the Danube Transnational Programme, Final Evaluation Report.

25. There are, however, persistent difficulties to find projects in the Specific Objectives (SO) 1.2 (Increase competences for business and social innovation), 2.4 (Improve preparedness for environmental risk management), 3.2 (Improve energy security and energy efficiency) that meet the high DTP selection standards. In addition, a long development process of EUSDR-related projects in SO 4.2 (Support to the governance and implementation of the EUSDR) can be observed. A particular challenge is the implementation of the ENI funding instrument.
26. Obviously, the current DTP can be linked to all ESUDR Priority Areas (but PA 11). It might be worth considering for the future DTP if a stronger concentration, combined with a closer link to specific actions of the EUSDR, would make sense. In this regard, the current revision of the EUSDR Action Plan should be mentioned. It aims for an update, a stronger strategic background and a better link to programmes and funding beyond DTP. The future DTP should capitalize on this revision and keep the good and close coordination with the EUSDR stakeholders. As most of the Danube Countries' Annexes D make a reference to the EUSDR, this might be a link also for the future DTP to the mainstream programmes.
27. Another possibility to optimize the interplay between future DTP and EUSDR could be to provide support to issues that are cross-cutting, like digitalisation, or that have not a sectoral, but a spatial focus, like improving the situation in mountain areas or rural regions. Working together across ministries and hierarchy levels could help break up "silos", thus strengthening the institutional capacity of stakeholders.

28. **Orientation:** Like the DTP 2014-2020, also the future DTP will play a special role in funding EUSDR projects. However, the current DTP seems to be currently the exclusive funding option for the majority transnational projects in the Danube region. This is suboptimal because the DTP budget is limited. For the future DTP, projects applicants might be encouraged by the Joint Secretariat and the National Contact Points to take into account other programmes and funds, too, which might even fit better to the initial project idea. This would also help to make better use of the full potential of the EUSDR. In the future, programme bodies may be trying more to call for – and select – projects that serve rather as an initiator, catalyst, or complementary for enabling funding from larger funds, than to provide "full funding" like in the past. The existing DTP Seed Money Facility is a step into this direction that could be extended.

C. INVESTMENT OBJECTIVES LINKED TO THE PROPOSED OBJECTIVES FOR COHESION POLICY

29. Orientations are structured in view of the proposed objectives for Cohesion policy (PO 1 to 5, cf. Art. 4 (1) "Common Provisions Regulation" – Proposal for a regulation COM(2018)375 - CPR; in addition, there are two Interreg-specific objectives (ISO), cf. Art. 14 (4) and (5) ETCR.
30. Future DTP programming should also be fully aligned with the objectives and actions of the EUSDR as defined in the EUSDR Action Plan (Art. 15 (3) ETCR).

PO 1: A smarter Europe by promoting innovative and smart economic transformation

31. Nearly 30 years after the fall of the Iron Curtain, the former Eastern Bloc can look back on an impressive list of achievements; however, the transformation process is still going on. While

for example there has been substantial progress in the modernization of public transport vehicles (busses, taxis, in part also in the railway sector), the modernization of the Danube fleet is still an urgent topic.

32. Additionally, both the former Eastern Bloc countries and the more developed countries in the Western part of the Danube region face a distinct phase of transition with regard to digitalisation and industry 4.0. Here lies a chance for the downstream countries, for they can in some fields rather easily catch up in a sense of a "jump development" investing in the newest technologies by overleaping the earlier steps (e.g. going directly to the 5G standard in the mobile networks sector). In fact, there are examples where digitalization is more advanced in Romania than in Germany.
33. Generally, the current territorial background of the Danube region, when related with the policy objectives, places it as one contrasting EU transnational territory. There are regions with higher levels of territorial development in the western "upstream" part (like Germany and Austria) and below EU average territorial development levels in the eastern "downstream" EU countries (like Bulgaria and Romania, with the exception of their capital city regions).
34. Indeed, based on updated evidence presented in the latest EU Cohesion Report (2017) and ESPON Atlas (2014), a clear picture is drawn in which the Danube encompasses some of the most technologically developed regions in the EU located in both Germany and Austria, in marked contrast with most of the remaining regions located in the EU south eastern Member States. This means that it is still justifiable to invest in technology, innovation and skills in most programme regions, in order to enable economies to raise their levels of innovation and productivity performance, when developing goods and services.
35. Focussing on innovation, the Commission's Regional Innovation Scoreboard (RIS) 2017 shows the same picture in an even more drastically way. It measures innovation using a composite indicator – the Summary Innovation Index – that is based on 27 single indicators measuring framework conditions, investment, innovation activities, and impacts. While all four Baden-Württemberg NUTS 2 regions are in the highest categories (leader plus or leader), seven of the eight Romanian NUTS 2 regions are in the lowest categories (modest minus). With the exemption of the Bucurest-Ilfov region, they are at the very end of all 220 regions examined, ranking no. 214 to 220 (RIS 2017: 17ff, 23, 29).
36. Performance of regional systems changes over time. The goal of cohesion policy is to enable the modest performers to catch up with the leader's group. Figures of the RIS 2017 are showing increasing innovation performance in Austria as well as in parts of Slovakia and Slovenia. However, there are also regions where innovation performance is still decreasing, to the largest extent in Eastern Bavaria and Romania (RIS 2017: 35f.).
37. Nevertheless, the RIS 2017 displays also strong performance in some Central and Eastern Danube NUTS 2 regions, like in the field of employment. Employment in medium-high and high tech manufacturing and knowledge intensive services is high in Baden-Württemberg and Bavaria, but also in the Czech Republic, Slovenia, Western Slovakia, the west region in Romania and in the Yugozapadna region in Bulgaria (RIS 2017: 54).
38. With regard to the RIS indicator "exports of medium high or high technology intensive manufacturing as percentage of total exports", there are even three Danubian regions in the top ten: Stredni Cechy (CR), Nyugat-Dunantul (HU) and Sud-Vest Oltenia (RO) (RIS 2017: 55). Hence, there is an evident potential for successfully overcoming the West-East dissimilarity.

39. In Serbia the national smart specialisation strategy is under preparation, currently proposed topics are: (i) Information and Communication Technology / ICT; (ii) machines and production process of the future; (iii) food for the future; (iv) creative industries. The current strategy of the Autonomous Province of Vojvodina (2015-2020) prioritises the following sectors: (i) agriculture and food industry, (ii) ICT and professional electronic, (iii) metal industry and (iv) tourism. In addition, it recognises the importance of the following sectors: environmental protection, energy efficiency, renewable energy resources and creation of regional and local innovation centres.
40. The smart specialisation strategy for Montenegro (2019-2024), the first one adopted in the region, focusses on: (i) sustainable agriculture and food value chain, (ii) energy and sustainable environment, (iii) sustainable and health tourism, and (iv) information and communication technologies.⁵
41. The IPA Countries of the DTP territory are lagging behind in competitiveness when compared to EU Member States. According to the Global Competitiveness Report 2018⁶, out of 140 countries assessed, Serbia ranks as 65th (70th in 2017), Montenegro 71st (73rd in 2017) and Bosnia and Herzegovina 91st (90th in 2017).
42. The economic activity in Serbia is predominantly services-based (over 50 %). The industrial sector contributes to almost 20 % with a strong focus on mining. Agriculture, forestry and fishery accounts also for almost 20 % to the countries' GDP. Even though the latter decreased in relevance compared to 2018, it remains an important sector for employment of 20 % of the population. However, the industry is in strong need of innovative measures, technologies and exchange of knowledge. The Serbian Government seeks to attract Foreign Direct Investment to improve the industrial transformation.
43. According to the SBA, Serbia's performance stands roughly in line with the EU average, although the scores in individual indicators show a mixed performance. Both in Serbia and in the EU it takes two years on average to close a business. However, doing business in Serbia is twice as expensive as in the EU. The cost of resolving insolvency in Serbia amounts to 20 % of the debtor's estate, while the EU's average figure stands at 10.25 %. At the same time, the Serbian insolvency framework is relatively strong. In view of internationalisation, conditions in Serbia are highly negative in contrast to very positive trade dynamics with the EU and other trading partners.

44. **Orientation:** Cluster and network activities that bring together stakeholders from all along the Danube should be supported. As for such actions there are many other funding opportunities beyond Interreg, the future DTP should focus on "catalyst" projects – i.e. funding projects which will be continued after their expiration by another funding scheme or (even better) as a transnational institutional network, carried by the different stakeholders (chambers of commerce, local authorities, universities, ...).

45. **Orientation:** It is deemed necessary to invest in the digital infrastructure and in the workforce in the middle and eastern regions. Both are necessary conditions to catch up with the leader regions. Again, the DTP should see its role as "catalyst fund", e.g. for national/regional ERDF funding (with regard to digital infrastructure) or ESF funding (for reskilling/upskilling the regional workforce).

⁵ http://www.mna.gov.me/en/ministry/Smart_Specialisation/

⁶ <http://reports.weforum.org/global-competitiveness-report-2018/country-economy-profiles>

46. **Orientation:** Economic transformation could also be enhanced by creating a common ground for innovation; in practice, it could be e.g. a technology park like Pomurski Tehnološki Park, Slovenia, which has successfully risen project funding from different programmes. Investments into the development of such regional hubs with a transnational perspective should be supported.

PO 2: A greener, low-carbon Europe

47. The cohesion policy objective PO2 (cf. No. 16) describes a "greener, carbon free Europe, implementing the Paris Agreement and investing in energy transition, renewables and the fight against climate change".
48. Energy transition has two main fields of action: Saving energy and producing energy in a sustainable way. Saving energy can be reached by "physical" means like better isolation of buildings or the use of more efficient motors. However, this kind of actions requires large investments which cannot be provided by the DTP (however, studies or pilot projects should be possible). Another way of saving energy is a "digital" one, e.g. by the use of smart grids. The technology of smart grids, is quite developed; however, the wide-range roll-out is differing strongly between member states. Germany has opted in 2014 for a very selective roll-out; in consequence, by 2020 23% of the consumers are expected to have a smart metering device. In contrast, Romania has set very ambitious goals in 2013, expecting to have 80% coverage by 2020 and full coverage by 2022 (COM 2014). This may lead to a structural advantage when it comes to projects that focus on smart energy networks – for which wide-range coverage of smart grids is a prerequisite. And though the introduction of smart grids is mainly driven by national policies (COM 2014), a resilient energy network will most probably be reached by transnational cooperation, as the successful cooperation under the Commission Initiative on Central and South-Eastern European Energy Connectivity (CESEC) shows. In the end, this also contributes to the goal of security of energy supply. - For the purpose of this paper, this is only one example, but it shows that there are fields of transition where downstream countries cannot only catch up, but can even overtake an upstream country and strong innovator like Germany.
49. Renewable energies can be fostered in many ways, from building solar, water or wind power plants to very individual measures like solar panels on rooftops. The potential for solar heat and photovoltaics is higher in Bulgaria (with the highest potential in the Balkan area) than in Germany or Austria, however, this potential is not fully exploited. The stronger promotion of a wide-range use of renewable energy (including also geothermic energy) is highly welcome, but as said above, requires large investments, which cannot be provided by the future DTP; its role could be to support preliminary projects, e.g. providing a sound database.
50. The fight against the negative effects of climate change like floods is something that obviously calls for a transnational approach. The Danube River Basin is already exposed to high flood risks, but also the risk of water scarcity during the drier summer months, especially in the southern regions of the Danube basin. Droughts, low flow situations and water scarcity periods are likely to become more intense, longer and more frequent in the Danube River Basin, especially during the summer months in the southern and eastern part of the region. Again, the financial volume of the future DTP is far too small to tackle this

challenge, but promoting water-saving projects or collecting data and lessons learned for improving the effectiveness of integrated flood risk management (planning measures for DRR, enhancing preparedness and early-warning, supporting contingency planning and coordination of rescue activities, etc.) at a transnational level can be a meaningful contribution. [Danube River Basin Management Plan and Danube Flood Risk Management Plan](#) should be taken into account as the guiding documents for projects to be developed in this context.

51. The future DTP can also act as a policy-driver for an intersectional approach (ex.: Waterpower is renewable energy, but it should also be implemented with the least possible ecological impact both at local and transboundary level). In this respect, it is also underlined that a check of sustainability of any kind of investment should be done.
52. Improving water supply and sanitation infrastructure to comparable levels in the whole programme area ("leaving nobody behind") so that the population has access to good quality drinking-water and that the environment is protected from pressures resulting from release of raw waste water, is another objective towards which the DTP could prioritize its support.

Good Practice

Good practice can be drawn from the JOINTISZA project, which aims at strengthening cooperation between river basin management planning and flood risk prevention to enhance the status of waters of the Tisza River Basin, a tributary to the Danube.

<http://www.interreg-danube.eu/approved-projects/jointisza#>

53. In an overall picture, the innovative and smart economic transformation of the Danube countries has to be sustainable, too, if should deem successful. In many cases, innovation will go hand in hand with a "smarter" use of resources, and the selection of projects shall always take into account their potential ecological impact. The main focus of the program shall however not be put on large-scale policy objectives like energy or climate change.
54. Many projects in the environmental sector touch upon other topics, e.g. focussing on water quality or maintaining biodiversity (e.g. diverse projects dealing with the endangered sturgeon). Another rather unexplored potential is linking nature reserves, biospheres, and the creation of migration corridors for animals – not only around rivers; this refers to the "green infrastructure".
55. The Danube Delta is one of the most diverse regions worldwide and deserves special care and protection. Much less known, the Carpathians in Romania are covered by the biggest existing forest of Europe, where more than one third of the overall European population of wild living bears, wolves and lynxes is living. Areas like these hold treasures not only in a biological sense; they provide potential for sustainable tourism as well.
56. In the IPA Countries of the DTP, the share of renewable energy in the energy grid remains low. Moreover, these areas of the programme face risks of air pollution, especially particle matters, resulting from transport and combustion of solid fuel for buildings heating. Although there is a high potential of producing energy from such sources as biomass, biogas,

wind, sun, thermal waters, and hydropower,⁷ this kind of energy-related investments require important financial means as well as overcoming a number of regulatory obstacles and are therefore mostly dealt with at national level.

57. The Green agenda for the Western Balkans is currently being finalised.⁸ It aims at contributing to the leading efforts of the EU in fighting climate change, protecting the environment and to unlock the economic potential of the green, low carbon and circular economy in the region. Once published, it will become the main policy document in this field, to be considered by the future DTP and the future projects which involve partners from the IPA Countries.
58. So far, air pollution has played only a limited role in current DTP projects. However, this is an issue of transnational dimension, which is acute in many parts of the Danube region. Thus, it is proposed for the future DTP to take air quality more in focus, linking it also with actions under EUSDR Priority Area 6 and under the IPA programme. One idea that can build on experiences from the LIFE programme would be to set up better monitoring, modelling and air pollution warning systems across-national borders. Monitoring is not yet well developed in several parts of the region, and the costs of such actions are quite reasonable considering the expected budget. Especially in the Balkans and the Eastern parts of the DTP area there is a great need for such actions. These also tend to be appreciated by the population as air quality is an issue of growing importance, they would help capacity building and they could provide guidance for larger funding possibilities to address air pollution under e.g. ESIF.

59. **Orientation:** A smarter Danube Region will have to take care of resource efficiency and a reliable and resilient energy provision. The DTP might support studies or pilot projects in these areas; however, its scope is not appropriate to tackle to a greater extent the large-scale policy objectives of an "Energiewende" or fighting climate change.

60. **Orientation:** Nevertheless, on a (trans-)regional scale, the DTP has proven its added value through projects dealing with river basin management and flood risk management (e.g. JOINTISZA), water quality, or projects on biodiversity (in particular aiming at fostering ecological connectivity like DANUBEPARKS or Transgreen⁹) and sustainable tourism. In these areas, a regional (pilot) project can serve as a "transregional template". Furthermore, the programme should support measures to improve air quality such as green infrastructure, joint awareness campaigns, and monitoring and modelling.

PO 3: A more connected Europe

61. Mobility is a key requirement of a modern society. Though more and more interactions and processes can – and will – be done "digitally", the physical mobility of goods and persons is crucial also for a "smart" society.

⁷ Croatia has already surpassed its 2020 targets for the share of renewable energy in consumption (20% for 2020 and 27.3% for 2030). Renewable energy covers 28.3% of energy mix in terms of consumption against 17% of the EU average. Non-hydropower renewable energy sources accounted for just under 10%.

⁸ https://berlinprocess.info/wp-content/uploads/2019/07/chairs_conclusions.pdf

⁹ See <http://www.danubeparks.org> ; <http://www.interreg-danube.eu/approved-projects/transgreen>

62. Though it is true what has been said before - that the future DTP's role will be that of a catalyst and policy driver – in the field of mobility the potentials to make a change with smaller investments are much higher. When it is about financing for building bridges or railway lines, this will be the task of the regional or national "mainstream" ERDF funds; transnational projects might contribute in a form of a feasibility or commuter's potential study. When it comes to solutions for individual mobility in smog-plagued cities, also a smaller project can make a difference, e.g. a tailor-made car-sharing concept in different cities in the Danube region, especially if embedded in or linked with Air Quality Plans. For cleaner inland waterway transport the LIFE CLINSH project could provide inspiration.
63. The same applies to the connection of rural areas or regions with geographic specificities like mountain regions. So far, little attention has been put on innovative mobility concepts for these areas. DTP funded studies could help improve this situation.
64. In the transport sector, the multi-modal logistic is currently further developed to a (computer-based) synchronized-modal logistic. This trend is new for all the Danube countries. That is a challenge, but also a chance to develop ideas for a state-of-the-art multi-modal Danubian transport system (which includes also the shippable tributaries). Pilot studies supported by DTP could pave the way.
65. The modernization of the digital infrastructure is also crucial. As a catalyst, the future DTP's role could be enabling the authorities on regional and local level to fully exploit the potential of national and EU funds in the sector of digital connectivity.
66. **Orientation:** Though mobility and digital connectivity are crucial for a successful transition and prerequisites of an innovative and "smart" economy and society, the necessary large-scale investments are beyond the scope of an Interreg programme. This is the reason why it is not recommended here to put a focus on PO 3. Still, the future DTP could consider to provide a transnational added value by supporting and accompanying the process via feasibility studies, pilot actions etc.

PO 4: A more social Europe

67. The European Pillar of Social rights is built upon 20 principles. In many of those fields, especially under the third chapter "social protection and inclusion", big efforts are necessary to meet the standards set by the Gothenburg Declaration. The ESF+ provides appropriate means for supporting these efforts. However, there is evidence that the contribution of the ESF for the EUSDR is currently rather low (COM 2019: 48). Therefore, future DTP project applicants should be encouraged to consider to use it to a larger extend.
68. Parts of the programme area are facing serious problems of ageing population (mostly in the rural areas), high long-term unemployment (especially among young people), increasing poverty and, therefore, also higher percentage of population dependent on social help and at risk of social exclusion. There is neither organised, community-based support for active inclusion of vulnerable groups nor an easy access to local social services such as legal counselling for people in need (elderly and children receiving social care, people with disabilities) or health care (e.g. additional services for mentally ill, sick people necessitating long-term or palliative care) in these countries.

69. In line with what has been said above, it is deemed reasonable that the future DTP concentrates on accompanying the transformation process. Eligible projects could be for example a network for vocational training for the demand on new ("digital") skills for the labour force. This would be in line with the first principle of the European Pillar of Social rights: "Everyone has the right to quality and inclusive education, training and life-long learning in order to maintain and acquire skills that enable them to participate fully in society and manage successfully transitions in the labour market." This is a challenge that concerns all the countries in the Danube region; therefore, projects in that field might provide added value through a transnational approach.

70. **Orientation:** Overall, the orientation is not to consider particular actions under Policy Objective 4. Still, future DTP might give special attention to supporting the transnational exchange of projects that address the social dimension of the economic transition process, i.e. reskilling or upskilling the work force for the needs of digitalization / industry 4.0. To reach this, a better use of ESF for the implementation of projects under this PO is encouraged. DTP could support improving administrative knowledge in order to tackle this. To give a practical example, supporting the evolving ESF Management Authorities Network in the Danube region might help to achieve this.

PO 5: A Europe closer to the citizens

71. Bringing Europe closer to its citizens is a cross-cutting issue that goes hand in hand with good governance that also includes participation of the civil society on all implementing levels. It is therefore strongly linked with the Interreg-specific objective "A better Interreg governance".
72. There are already good examples of the involvement of inter-governmental actors like ICPDR, or networks like the Danube Rector's Conference, or the Council of Danube Cities and Regions. Further ways to include other initiatives in the Danube Region (in particular including the local level) and to encourage the participation of civil society should be sought.
73. Moreover, measures to better include minorities and building mutual trust and confidence on local and regional level, that have a transnational dimension as well (like the inclusion of Sinti and Roma), might be tackled under this objective.
74. There are countries or regions where EU-sceptic or even anti-European tendencies emerge or already prevail. Projects who aim at increasing the acceptance of European engagement, the visibility of EU funding in projects, and the understanding of the role that the EU plays are especially crucial there.
75. Transnational projects can play a vital role in helping to cross frontiers and tackle border obstacles, looking out of the box and exchanging opinions and experiences. Funding should be opened to a wide variety of project ideas and should not focus on public bodies only, but also on fostering the transnational exchange between private initiatives (e.g. in the environmental or social sector).
76. The small project fund instrument (see Art. 24-25 proposed ETC regulation, COM(2018)374) might be a helpful tool in realizing and implementing such project ideas.

77. **Orientation:** Bringing Europe closer to its citizens is a cross-cutting issue. This policy objective is deemed crucial to convey a better understanding of the EU and to help fight nationalist tendencies. In particular, activities on the local and regional level that have a transnational dimension should be supported. The future DTP can build on existing networks on the local or academia level (cf. no. 70). Moreover, many good ideas in this field can be realized with relatively small amounts, using simplified options like small project funds. Thus the future DTP might offer support to a wide range of such projects.

The Interreg-specific objectives

78. In addition to the five policy objectives of the CPR, there are two Interreg-specific objectives: Better Interreg governance and a safer and more secure Europe.
79. **Better governance** is strongly linked to PO5, when it comes to the participation of the civil society and a more integrative multi-level-governance, as well as to Priority Area 10 of the EUSDR. Better governance that fights corruption is also a way to provide safer and more secure structures, strengthening the liability and the reliability on authorities' decisions.
80. The multiple overlaps described under no. 8 and 19 mean that a better coordination in the overlapping areas is needed especially between the transnational programmes. This is most evident in the case of the Central Europe Programme, as there is the largest geographical overlap. Moreover, it applies to every call / proposal / project where there is a strong thematic overlap, e.g. in environmental issues; this can make sense when there is strong complementarity, but such projects should be assessed carefully.
81. A stronger coordination should also be sought with the cross-border programmes which operate in the area, especially (but not only) where the Danube River itself is the border, e.g. Romania-Serbia or Bulgaria-Romania. This is also a legal requirement of the CPR.
82. DTP should continue to support the governance of the EUSDR. This means contributing to the Danube Strategy Point (DSP) as well as to the PA's coordination structure. However, with regard to what has been said before, more emphasis should be put on the coordination function of those bodies. The still prevailing logic that the DTP is "the" funding source for EUSDR projects should be replaced by a "which programme suits the project best" approach, taking into consideration CBC, mainstream and other EU funding.

Good Practice

A commendable initiative in this sense is the "Danube Funding Coordination Network" set up by EUSDR's Priority Area 7; together with the Danube Inco-Net, it provides helpful information and guidance on calls, grants, awards, events etc., thus helping to find alternative funding and to think "out of the box".

<https://www.danubeknowledgesociety.eu/wq-3-danube-funding-coordination-network-dfcn>

<https://danube-inco.net/>

83. Moreover, one lesson learnt from the 2014-2020 funding period has been that the IPA and ERDF funds should be better balanced (COM 2019:25).
84. Building a **safer and more secure Europe** is a task that became more and more important in the last years, also in public awareness; this is especially true in the Danube region, where

this topic is often dominating the public debate. The transnational component is very clear when it comes e.g. to cross-border crime like trafficking of humans, drugs or weapons, or cybercrime. This topic correlates also to the Priority Area 11 of the EUSDR, "Work together to promote security and tackle organized and serious crime", with whom a close collaboration should be sought.

85. Again, the role of DTP should be seen as an "enabler" or policy driver, or as a complementary funding source to instruments like TAIEX, supporting projects that stress the "working together" of police, customs, border control, prosecutors etc.

86. **Orientation:** Implementing the two Interreg-specific objectives of better governance and a safer and more secure Europe are considered here as cross-cutting issues that are linked with PO5, "A Europe closer to the citizens". Consequently, the same applies what has been stated as reflections there: Thus DTP should offer support to a wide range of initiatives under this objectives, which can be often realized with relatively small amounts, using simplified options like small project funds.

87. **Orientation:** The overlap with other programmes (transnational and cross-border) implies the need for a stronger coordination between these programmes, especially with the Central Europe Programme. Multiple proposals should be avoided, complementarity should be enhanced (cf. positive vs negative overlap, no. 19). Practically, that could be taken into account already in the programming phase (joint meetings of the programming task forces), then through the advice and support given by National Contact Points and the Joint Secretariat, and later in the selection process, e.g. by demanding the projects to clearly point out the planned focus of their cooperation, which then could help to find the most appropriate programme.

D. Conclusions for the 2021-2027 period for the cooperation area, including strategic orientations and relationship to macro-regional strategies / sea-basin strategies

88. The Danube Transnational Programme (DTP)'s main characteristic is still a clear distinction between the level of development of the "upstream" and the "downstream" countries. However, **digitalisation and the transition to Industry 4.0** imply chances to overcome dissimilarities. The task of using the new chances in a sustainable way, while not forgetting about the environmental and social implications and not leaving rural or mountain areas behind is a big challenge that goes beyond national or cross-border scope, calling for transnational coordinated actions.

89. The **environmental topics** remain the second big issue in the Danube region. As the DTP's financial resources are by far not sufficient to tackle this challenges alone, the embedding of other funding sources is crucial, and the proposed role of DTP 2021-2027 is to serve as a catalyst for ideas with a transnational added-value.

90. Moreover, its governance could be further developed, also by a stronger link with key actors of the EUSDR, to encourage the participation of NGOs and civil society, thus bringing both the DTP and the EUSDR closer to the people.

91. Thus, the future DTP might focus

Under PO 1 on cohesion in the transition process (innovation & industry 4.0; modernization of transport and digital infrastructure; sustainability; social dimension - reskilling/upskilling of labour force); and

Under PO 2 on transnational environmental challenges (biodiversity, linking biospheres; water and air quality; flood prevention); and

Under PO 5 on supporting people-to-people exchange in the fields of all levels of administration, especially including the local level, as well as civil society,

as those are key challenges which require transnational coordination and cooperation. **The future DTP's role should be seen as a catalyst, an enabler and a policy-driver.**

92. With regard to the Interreg-specific objective “**a better governance**”, the future DTP should further support the EUSDR governance and permanently coordinate with EUSDR main stakeholders to create the best possible synergies. Furthermore, it should enable project applicants to make best use of the whole variety of relevant funding programmes. A cross-cutting issue that will remain important is to promote good governance, capacity building and fighting corruption. A stronger interaction between the public bodies and the civil society should be fostered. The future DTP is invited to offer support to a wide range of such projects, which can be often realized with relatively small amounts, making use of simplified cost options and new tools like small project funds.
93. The **full geographical dimension of the Danube region** should be taken into consideration adequately, **including** where appropriate also **mountain, coastal, and rural areas**.
94. Taking into account the large number of other ESIF programmes operating in the Danube Region (cf. ANNEX 1), as well as the given geographical overlap especially with other transnational programmes, **the future DTP will have to closely coordinate with these other programmes, during all phases** of the programme's life cycle (programming, proposal assistance, project selection, implementing).

List of Abbreviations

CPR:	"Common Provisions Regulation" – Proposal for a regulation COM(2018)375
ERDF:	European Regional Development Fund
ESF:	European Social Fund
ETC:	European Territorial Cooperation
ETCR:	"ETC Regulation" – Proposal for a Regulation COM (2018)374
EUSDR:	EU Strategy for the Danube Region

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- COM 2014: Benchmarking smart metering deployment in the EU-27 with a focus on electricity, COM(2014)356, <https://ses.jrc.ec.europa.eu/smart-metering-deployment-european-union> (as of 18/02/2019)
- COM 2019: 2nd Report on the implementation of EU macro-regional strategies, COM(2019)21, and accompanying Staff Working Document. https://ec.europa.eu/regional_policy/en/policy/cooperation/macro-regional-strategies/

ANNEX 1: List of relevant Cohesion programmes in the Danube Region

PO	1	2	3	4	5
2021/2027	A smarter Europe	A greener, low-carbon Europe	A more connected Europe	A more social Europe	A Europe closer to citizens/
Programmes 2014-2020					Interreg-specific objective
<i>Transnational</i>					
Danube	TO1	TO6	TO7		TO11
Central Europe	TO1	TO4, TO6	TO7		
Europe	TO1, TO3	TO4, TO6	TO7		
Adriatic-Ionian	TO1	TO6	TO7		TO11
<i>Cross-border</i>					
Interreg V-A SI-AT	TO1,3			TO9,10	TO11
Interreg V-A AT-CZ	TO1,	TO6		TO10	TO11
Interreg V-A SK-AT	TO1,	TO6	TO7		TO11
Interreg V-A AT-DE/Bavaria	TO1	TO6			TO11
Interreg V-A – AT-HU	TO3	TO6	TO7		TO11
Interreg V-A DE (Bavaria)-CZ	TO1	TO6		TO10	TO11
Interreg V-A SK-CZ	TO1	TO6		TO10	TO11
Interreg V-A SK-HU		TO6	TO7	TO8	TO11
Interreg V-A SI-HU		TO6			TO11
Interreg V-A HU-HR	TO3	TO6		TO10	TO11
Interreg V-A RO-HU		TO5, TO6	TO7	TO8, TO9	TO11
Interreg V-A SI-HR		TO5, TO6			TO11
Interreg V-A RO-BG		TO5, TO6	TO7	TO8	TO11

<i>IPA-CBC</i>					
IPA CBC HR-BiH-MNE					
IPA CBC HR-RS					
IPA CBC RO-RS					
IPA CBC HU-RS					
IPA CBC BG-RS					
<i>ENI-CBC</i>					
ENI CBC RO-MD					
ENI CBC RO-UA					
<i>National ERDF</i>					
Austria					
Bulgaria					
Croatia					
Czech Republic					
Germany: Bavaria, Baden-Württemberg					
Hungary					
Romania					
Slovenia					
Slovakia					
<i>National ESF</i>					
Austria					
Bulgaria					
Croatia					
Czech Republic					
Germany: Bavaria, Baden-Württemberg, Federal programme					
Hungary					
Romania					
Slovenia					
Slovakia					

Source:

https://ec.europa.eu/regional_policy/en/atlas/programmes?search=1&keywords=&periodId=3&countryCode=ALL®ionId=ALL&objectiveId=13&tObjectiveId=ALL

NB: The allocation of the Thematic Objectives (TO) of the 2014-2020 programming period to the proposed Policy Objectives for 2021-2027 has been approximately done based on the following definitions:

- TO1:** Strengthening research, technological development and innovation
- TO2:** Enhancing access to, and use and quality of, information and communication technologies
- TO3:** Enhancing the competitiveness of SMEs
- TO4:** Supporting the shift towards a low-carbon economy
- TO5:** Promoting climate change adaptation, risk prevention and management
- TO6:** Preserving and protecting the environment and promoting resource efficiency
- TO7:** Promoting sustainable transport and improving network infrastructures
- TO8:** Promoting sustainable and quality employment and supporting labour mobility
- TO9:** Promoting social inclusion, combating poverty and any discrimination
- TO10:** Investing in education, training and lifelong learning
- TO11:** Improving the efficiency of public administration

