

The Added Value of the EUSDR

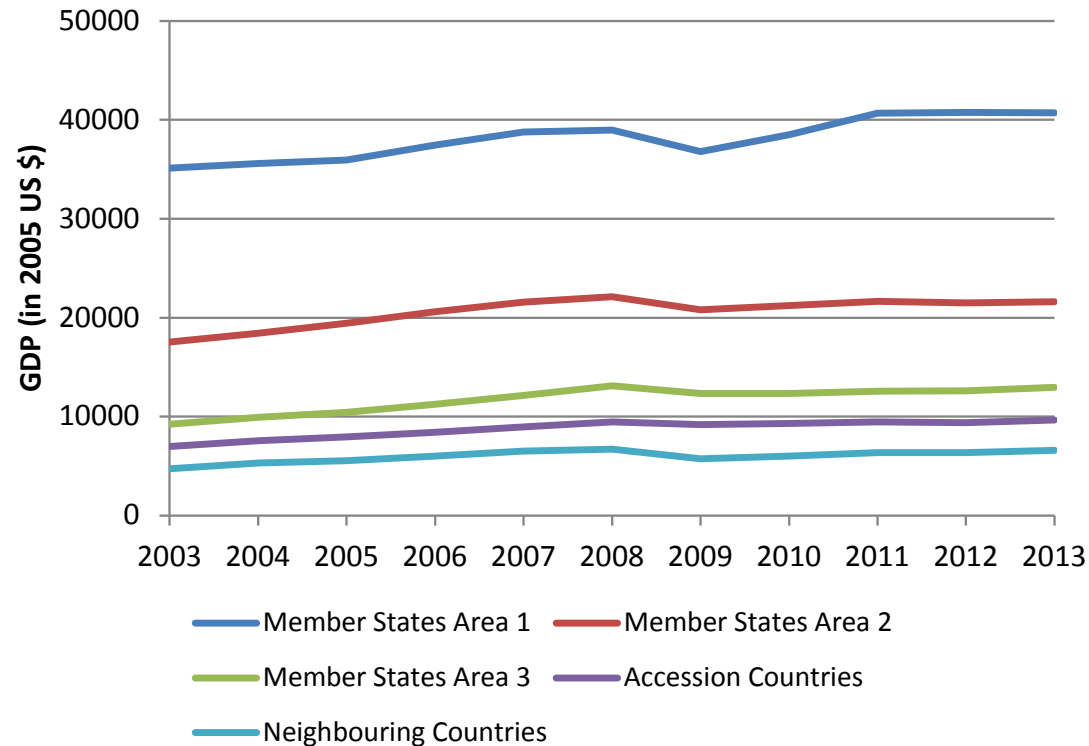
Lessons from the study on the socio-economic development of the Danube Region

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Danube Strategy Point
Brussels, October 13 2016

Task for the EUSDR

- Large disparities between the subregions, slow catching-up
GDP per capita 2003-2013, PPP adjusted



Notes: Member States Area 1: BW, BY, AT; Member States Area 2: HU, CZ, SK, SI; Member States Area 3: BG, RO, HR; Accession Countries: RS, BA, ME; Neighbouring Countries: MD, UA.

Source: OECD, Penn World Tables, World Bank, GENESIS online Datenbank. Calculation and illustration: IAW.

Expectations of the EUSDR

- Focus group with more advanced countries held some surprises:
 - Each participant has a (personal) narrative why the Danube regions is important
 - Four years into the EUSDR: This is no longer sufficient to motivate action
- Participants in the catching-up countries complained – while supporting the EUSDR – that little of the overall noise around the EUSDR translated into action on the ground.
- We found two distinct layers that have to be tackled to move the EUSDR forward
 - Identifying projects that help the region advance
 - Getting the governance structures and incentives right to re-invigorate the EUSDR

About the project

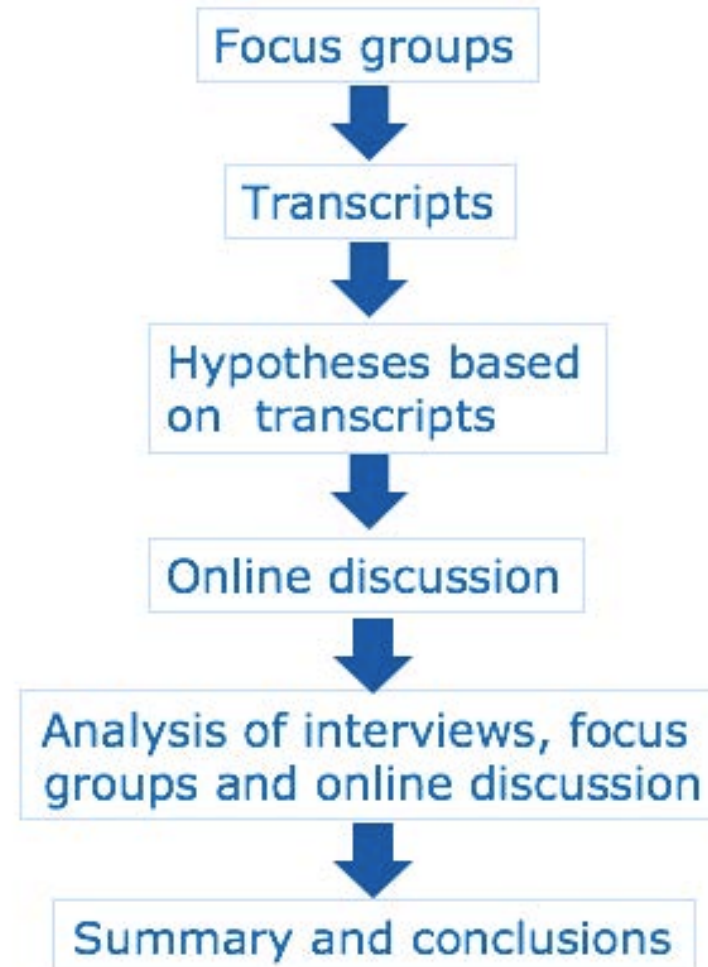
- Commissioned by the Ministry of Finance and Economics Baden-Württemberg on behalf of DG Regio in first half of 2013
- Project duration: July 2013 – October 2015
- The task
 - To assess the competitiveness as well as the actual and potential cooperation possibilities
 - Identify thematic objectives, projects and investment opportunities
 - This is the main focus of today's presentation

Mix of Methods


First Part



- Desk research
- Compilation of indicators on prosperity, entrepreneurship and SMES, cooperation and cooperation potential
- Formulation of preliminary policy recommendations based on indicators

Second Part



Discussion on discuto.io


 Discuto beta



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More information about the project can be found [here](#). The final report is [available here](#).



1 Problems

001 The main obstacle for the implementation of projects is the poor functioning of the public administration.

54 Votes




17 Comments

 Change

 **rumjana.hilpert...**
[reply](#) 



28.06.2015 - 19:33

Frequently changing governments and administrations, lack of appropriate organization

 **dall**
[reply](#) 

14.06.2015 - 16:58

It is "one of the obstacles" rather than "the main" one, but for example a systematic exploitation of the opportunities offered through the Danube Transnational Programme would need a well functioning administration that ensures the necessary co-financing - across countries - for strategic projects. Such a coordination is needed already in the project idea generation process as it is necessary for the applicants in different countries to know about their national co-financing opportunities. At the moment I see a resistance to provide cofinancing and so stakeholders who are active in the development of projects are facing this obstacle. But this refers to the project generation rather than the project implementation. In the implementation (i.e. when a project is already funded and started), usually other obstacles are much bigger and more dependent on the partners and the specific topic than on the public administration.

 **Neuhäuser**
[reply](#) 

12.06.2015 - 09:13


1	17	54
2	9	56
37	9	44
4	8	51
5	7	56
14	7	43
1 of 25 next >		

Most active user


User	Comm.	Votes
Costin L...	53	113
Neuhäuse...	34	95
Pavla Br...	31	134
Cristina...	24	114
hannesle...	19	50
uhlir@ji...	18	76
1 of 14 next >		

Most recent comments

Rybaczek BIENE writes:


...it's dubble 124 :-)

Rybaczek BIENE writes:


...of course partnerships in research - and wherever useful

Three types of projects identified

- 1) Macro projects – large reform projects
- 2) Meso project – practical issues
- 3) Micro – projects set up by institutes, enterprises, universities, administrations

Macro level projects

- Public sector
- Capability for strategic action
- Fighting corruption
- Creating trust
- Protecting property rights
- Reforming the education system
- Fostering entrepreneurship
- Upgrading the value chain
- Stimulating foreign direct investment

Meso level projects

- Exchange programmes for students, public sector employees, young people in general, trainees
- Mentoring programmes for public administrations
- Establishment and expansion of town twinning programmes
- Programmes that strengthen local SMEs
- Helping accession and neighbouring countries with the reform of standardisation systems

Micro level projects

- To be financed by European Union programmes
- Not floating around but developed when a suitable tender is advertised
- Thematic fields with potential:
 - Agriculture/wood processing
 - Tourism
 - Dual vocational training
 - Mentoring for SMEs
 - Start-up weekends
 - Green economy
 - Social entrepreneurship
 - Infrastructure
 -

So what?

- Plenty of topics!
- Plenty of projects!
- Alignment of EUSDR with structural funds so that there are resources available now!
- Why is the number of EUSDR projects not exploding?
- To much competition? South East Europe 2020, Strategy for the Adriatic and the Ionian, EBRD, World Bank....

Salvation comes from...

- The fate of macro and meso projects is dependent on the political elites.
- We think that the power of the EUSDR is almost solely determined by the behaviour of decision makers – i.e. the political layer - in the catching-up countries
 - Participants in the focus groups and online think that salvation comes from outside
 - EUSDR is supposed to improve the public sector working, education system, etc. because reform experiences at home are often frustrating
- We suggest to formulate six project either on the macro or micro level within three month that have political backing and support from citizens
 - Public sector reform would be a prime target

Meso and micro level projects

- Plenty of funding programmes available now
 - Absorptive capacity is the issue most of the time
 - Sufficient number of projects. Mixed experiences so far
- Excellence versus coherence
- Support in accessing these programmes
 - Writing application
 - Information about funding opportunities
 - Communities of practice to spread the knowledge
 - Help in forming consortia
- EUSDR quality label for projects
- Forming online communities

Conclusions

- Plenty of potential still but more visible progress needed
- Political elites in the catching-up countries must be in the driving seat if the EUSDR is to succeed
- Come up with six projects that tackle fundamental issues and have political backing
- Foster micro- and meso-projects but aim for big change
- Limit rent seeking wherever possible

Thank you very much for your attention!

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Further information and reports: www.zew.de/danube-study-eu

The focus groups

- Moderator-led discussions
- Allows to observe group processes and to mitigate extreme opinions
- 2 participants per country („internal“, „external“)
 - Internal: Familiar with the Danube Strategy
 - External: Unfamiliar with the Danube Strategy
- Proficient understanding of competitiveness, EU regional policy, EU structural funds
- Members of public administration, academics, and company representatives

Guiding questions

- What is the status of things related to prosperity, SMEs, and cooperation?
- What factors hinder the improvement of the situation?
- What are appropriate measures to improve the situation?
- What are reasons that measures are not implemented?
- In what areas is (international) cooperation possible?
- In what ways can the EU strategy for the Danube Region be helpful?

Discussion on discuto.io

- Formulation of statements from the statements of the focus groups

Contacted persons (brutto sample)	912 (inkl. focus group participants)
Invalid E-Mail-Adresses	92
Netto sample	820
Duration	22. Mai - 30. Juni 2015
Active participants	134
Response rate (netto)	16%
Academics	33%
Public administration	49%
Company representatives	18%
Theses	149
Comments	304
Votes	4,638
Controversial theses	8 (=5% of all statements)

- Broad consensus.