



EU STRATEGY FOR THE DANUBE REGION

IMPLEMENTATION REPORT OF EUSDR PRIORITY AREA (PA 8 "To support competitiveness of enterprises including cluster development")

Reported period: from 07/2016 to 12/2016

(FINAL VERSION)

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1 EXECUTIVE SUMMARY

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

The Ministry of Economic Affairs, Labour and Housing of Baden-Württemberg together with Croatian Ministry of Economy, Entrepreneurship and Crafts (PAC 8) have been entrusted by the European Commission to coordinate Priority Area 8 "To Support the Development of Competitiveness, Including Cluster Development" within the EU Strategy for the Danube Region.

Both PA8 partners, Baden Wuerttemberg and Croatia are part of the EU Strategy for the Danube Region from its very beginning, participating in preparation and definition of its key documents from the start.

The work plan of PA 8 (coordinated by Baden-Württemberg and Croatia) of the EUSDR was prepared on the basis of the Action Plan of the EUSDR and the derived and refined targets, actions and milestones of PA 8, which have been developed in co-operation with experts from the Steering Group (SG) and with experts of the respective Working Groups (WG).

In the reporting period 01st July 2016 until 31st December 2016 PAC 8 support the cooperation and exchange of experience between all relevant actors in the PA 8 by organizing the 12th Steering Group meeting on 16th November 2016 in the Ministry of Europe, Integration and Foreign Affairs Austria. The meeting gathered participants from four countries, including members from Baden-Wuerttemberg, Croatia, Czech Republic and Hungary as well as the European Commission and the Danube Strategy Point. This meeting served for discussing on main achievements in 2016 in terms of actions and project implementation. For further processing of the PA 8 the reporting obligations were debated. Further topics were the enhancement of cooperation with the Business Professional Women (BPW) Danube Net, the Regional Centre for Information and Scientific Development Budapest as well as the Senate of Economy of the Republic of Austria.

Furthermore the second PA 8 Joint Working Group meeting "Innovation and Technology Transfer", "Environmental Technologies and Energy Efficiency" and Cooperation of Business Organizations" was organized by the Croatian PAC 8 in Osijek in September 2016 as strong follow up on the outcomes achieved on the first Joint PA 8 Working Groups of experts meeting in Croatia in 2014.

To improve the business support in particular to strengthen the competitiveness of SMEs for cooperation and trade PAC 8 BW organized in great cooperation with the Economic Senate of Austria and the South European Cooperative Initiative (SECI) the Danube Business Forum focusing on "Smart Cities in the Danube Region" on 20th -21st October 2016 in Göttweig/Austria and 31st October 2016 in Novi Sad/Serbia. To advance this target Croatian PAC 8 supported the Danube Net Forum of Women Entrepreneurs from 4 - 5 November 2016 in Pula and organized beyond that the 4th Cluster Workshop of the working Group of PA 8 of the EUSDR from 12-13 December 2016 in Vukovar.

2 PROGRESS OF THE PA

2.1 PROGRESS ON POLICY LEVEL

2.1.1 POLICY AREAS AT FOCUS

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

PA 8 selected the following policy areas:

1. Support **competitiveness of sectors** and **improvement of framework conditions (reducing bureaucratic hurdles)**.
2. Support transnational/interregional **cooperation and exchange of experience** between all relevant actors in PA 8.
3. Establishing a **cluster mapping** with focus on bio-based industries (what are the competences, what is missing, where are specific hot-spots) and Analysis of Smart Specialization Strategies for the Bio-based industry among the partners (to what extent is bio-based industries regarded in RIS of Danube Region) as well as value chain analysis (what actors are already involved, how they are connected, where value chains remain disconnected and on missing actors).
4. Improvement of the **innovations and technological transfer** through establishing measures like consulting services by chambers and other institutions or organizations, in cooperation especially with PA 7 and other actions relevant Priority Areas of the EUSDR as well as through centers of excellence.
5. Better use of **environmental technologies**, like for example: wastewater treatment sewage treatment, refuse disposal, energy efficiency, generation of energy from renewable resources, etc., first of all, through determination of the regional decision-makers concerning submission of the applications.
6. Improvement of the **business support** in particular to strengthen the competitiveness of SMEs for (international) cooperation and trade (implementation of SBA).
7. Improvement of the **vocational training** under consideration of the private sector (a dual system of practice and theory) through pilot projects (identifying the potential institutions, as well as the partners and projects).
8. Improvement of the **entrepreneurship education** in order to enhance the competitiveness of enterprises, especially SMEs.
9. Supporting of **business organizations especially women entrepreneurship** through Quadra Helix model of cooperation which envisaged the enrolment of women's business association and organization.
10. Promotion of **urban and rural development** in particular of the agricultural sector.

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

The policy areas of PA 8 of the EUSDR, that at the same time constitute the working plan of PA 8 were selected and defined on the basis of the Action Plan of the EUSDR and the derived and refined targets, actions and milestones of PA 8, which have been developed in co-operation with experts from the SG and with experts of the respective WG.

2.1.2 MAIN POLICY ACHIEVEMENTS

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

- Support transnational/interregional **cooperation and exchange of experience** between all relevant actors in PA 8.

PAC 8 BW organized in great cooperation with the Economic Senate of Austria and the South European Cooperative Initiative (SECI) the Danube Business Forum focusing on "Smart Cities in the Danube Region" on 20th -21st October 2016 in Göttweig/Austria and 31st October 2016 in Novi Sad/Serbia.

Entrepreneurs from more than 10 countries from the entire Danube Region come together to learn about the opportunities that arise through current Smart City projects, especially for the small and medium-sized enterprises. Entrepreneurs from a wide range of industries took the opportunity to network, to meet representatives of a wide range of companies, the EU Commission, OSCE and various cities in the Danube Region. Practical examples from Prague, Sibiu, Vienna and Stockholm were used to demonstrate what Smart City concepts mean in terms of implementation. The focus was on small and medium-sized enterprises, as the broad base of companies would benefit particularly if they participated in the realignment of cities. Furthermore the business forum gave a practice oriented overview and the opportunity to actively network with stakeholders who offer numerous docking facilities for implementing concrete projects.

In addition to the know-how transfer, the symposium provided concrete results:

- Small and medium-sized enterprises need an information and networking platform to find out what they need to know in the future for the successful exercise of their profession. They all need a clear picture of the new knowledge requirements in order to be a relevant supplier for Smart City projects.
- Municipalities are called upon to develop their own individual SWOT analysis. Cities and communities need a clear understanding of their strengths and weaknesses, opportunities and threats in order to develop a Smart City Strategy.
- Urban neighbor regions must cooperate more closely as development spaces for smart city concepts, so that Smart Cities will become Smart Regions.

In the informal talks, a wide range of possibilities for cooperation have been established for example the Smart City district in Belgrade. The Symposium showed that the knowledge transfer to SMEs is very important in order to keep the economy going.

- Improvement of the **innovations and technological transfer**, Better use of **environmental technologies**, Improvement of the **business support** in particular to strengthen the competitiveness of SMEs for (international) cooperation and trade (implementation of SBA).

The second PA 8 Joint Working Group meeting "Innovation and Technology Transfer", "Environmental Technologies and Energy Efficiency" and Cooperation of Business Organizations" was organized by the Croatian PAC8 in Osijek in September 2016 as strong follow up on the outcomes achieved on the first Joint PA 8 Working Groups of experts meeting in Croatia in 2014.

Gathering experts in these areas are part of the Action Plan for the implementation of the EUSDR and it is valuable instrument in maximizing the potential of the Danube region by analyzing and identifying the needs and challenges for the development of modern solutions in the area of environmental protection gathering partners for technological solutions to protect the environment with a focus on providing support to SMEs through networking. The network links companies, research facilities, regional and local authorities and aims at implementing innovative environmental technologies in the Danube Region.

The meeting gathered more than 80 participants from 10 EUSDR countries, as well as the European Commission and the Danube Strategy Point.

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

This meeting served for Danube region transnational projects presentation, seeking for potential project partnership and discussion on main achievements in 2016 in terms of actions and project implementation.

- Establishing a **cluster mapping** with focus on bio-based industries

4th Vukovar Clusters Workshop, organized on 12th-13th December 2016 in Vukovar, was the networking and cooperation development event aimed to strengthen the competitiveness of the clusters' institutions and SMEs in particular, organized under PA 8 of EUSDR that covered full range of clusters themes and in a proper way circle the end of 2016.

Agenda themes were:

- Clusters as Tool to Implement S3 in Danube Region
- New Role of Clusters in Regional Development
- Clusters as Tool to Implement S3 as European Good Practices
- Building new Industry through clusters
- Cluster in Bio economy

- Supporting of **business organizations especially women entrepreneurship** through Quadra Helix model of cooperation which envisaged the enrolment of women's business association and organization.

PAC from Croatia had supported the organization of the women entrepreneurs in Danube region. Enhancing competitiveness of women enterprises and business match making in Danube Region, are the major outcomes achieved on 10th Forum on 4th/th November 2016 in Pula. The targets of the Forum were accomplished by exchanging business opinions and information, intercultural exchange, business education and business lobbying. Main objectives of the activity were reached i.e. Internationalization of businesswomen activities; promotion of products and services of women entrepreneurship; cooperation in new projects and promotion of culture through economy.

2.1.3 POLICY LESSONS LEARNED

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

positive:

- Transparency of the work of the Steering Group, PAs and Working Groups is fully documented on <http://www.danube-competitiveness.eu/>
- The two business fora in Göttweig and Novi Sad focusing on Smart Cities were very successful and valuable .
- Enhancing and intensifying cooperation with the Senate of Economy in Austria as well as the Business Professional Women (BPW).
- Completion of the Erasmus + project "Introduction of Elements Dual VET Slovak Republic" (INT-VET) in Slovakia. A follow up project is envisaged in the framework of Interreg with several project partners like Hungary, Romania, Austria and Slovakia as Lead Partner. The idea of the project is to implement the strategic concept of the Danube Academy which was compiled by means of Erasmus +.
- The three PA8 fora held in Osijek, Pula, and Vukovar were focused on national and regional stakeholders' closer cooperation and networking in specific sectors that are raising the

competitiveness of enterprises; they were very successful and valuable in terms of transnational project preparation, projects partnership, and dissemination of best practices. Enhancing and intensifying cooperation with the local/regional actors in the economy, SMEs and business organizations like Business Professional Women (BPW) promoting the women entrepreneurs. The number of transnational projects applied to Interreg first call like Danube, Adrion, Mediterranean that are results of the partnership born directly from stakeholders networking through the EUSDR PA8 implementation activities.

- Information about the EUSDR with awareness raising
- Motivation of stakeholders for submission of strategic projects

negative:

The challenge in the Priority Area 8 is still the continuous involvement and participation of competent representatives in the Working Groups and the Steering Group from the relevant key ministries as well as from the business organizations. A declining trend regarding the participation was noted at the last Steering Group meeting on 15th/16th November 2016 in Vienna.

In addition, it must be stated that this meeting was postponed three times upon request of the EU Commission and the Danube Strategy Point. On the suggestion of the Austrian Federal Chancellery, the city of Vienna was selected to host the 12th Steering Group meeting of PA 8. The meeting took place in the Ministry of Foreign Affairs, participating countries were Baden-Wuerttemberg, Croatia, Czech Republic and Hungary. It was not possible to encourage the economic department of the hosting Ministry to cooperate in the EUSDR. Moreover the Austrian Economic Chambers (WKO) canceled its participation in the meeting at the last minute. So in the future, Austria will therefore not be represented at the Steering Group of PA 8. The announced participation of Upper Austria did not take place. Moreover Slovakia as organizer of the 5th Annual Forum and former Presidency of the EUSDR was not represented at the meeting as well despite of the geographical proximity.

During the last Steering Group meeting the prescribed reporting templates were also problematized. On the part of the Working Group leaders it was shown that the obligated data sheets are not practical even it is impossible to describe the work of the Working Groups on them. But the PAC team is dependent on the preparatory work of the Working Groups.

2.1.4 FUTURE POLICY DEVELOPMENT

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

What PAC 8 have experienced (findings and experiences from the PAC- activities): The success of the EUSDR depends on the input and commitment of the stakeholders in the target region. Their engagement is essential for the realization of strategic projects according to the EUSDR. The SG-members and PACs, nominated by the respective governments in the target countries and mandated by the EU Commission as well, are tasked to support the implementation of EUSDR projects by coordination (subsidiarity principle).

As stipulated in the documents of the EU Commission and the EU Council: "the PACs and the SG form the implementation core of the Strategy. Their work needs further embedding in political and administrative structures. Their visible, central role requires institutional stability, political recognition and allocation of sufficient human resources. Adequate staff and support from ministries to enable them to fulfil their role is crucial. The PACs and SG members should be officially appointed (by the sector ministers) and should receive a clear mandate, along with sufficient resources"

Without concrete support of policy makers out of all EUSDR countries the Macro strategy will continue to lame. Concrete: The EUSDR will be doomed to fail.

All National Coordinators (NC) and also those responsible for the EUSDR in DG Regio must call their political hierarchy for real concrete support of the SG members and PACs (political backing).

The NC and the DSP should support the work of the EUSDR key implementers. They should facilitate their work and not act as "coordinators of the coordinators", they should help the PACs especially by avoiding more workload and bureaucracy (see EU-COM Report, 20.05.2014 COM (2014) 284 final).

2.2 PROGRESS ON PA'S TARGETS

Table 1: Progress on targets during the reporting period

PA Targets (number and wording of the target)	Progress during the reporting period				Clarifications
	Completed	Satisfactory progress	Delayed progress	Other	
(a)	(b)	(c)	(d)	(e)	(f)
<i>Target 1: Improvement of the innovations and new technologies transfer through establishing measures like consulting services by chambers and other institutions or organizations, in cooperation with other actions relevant Priority Areas of the EUSDR</i>	<input type="checkbox"/>	x	<input type="checkbox"/>	<input type="checkbox"/>	Targets of PA8 were modified in 2016 as part of overall revision & update of EUSDR Targets with regards to all PAs.
<i>Target 2: Establishing a cluster network with focus on connecting companies in bio-based industries and Analysis of Smart Specialization Strategies for the bio-based industry within Danube region</i>	<input type="checkbox"/>	x	<input type="checkbox"/>	<input type="checkbox"/>	
<i>Target 3: Improvement of the technological knowledge and implementation level of environmental technologies through presentation of the latest know-how and Best Practices in the area of sewage treatment, solid waste management, generation of energy from renewable sources etc., and through identification of the regional decision-makers responsible for submission of project application</i>	<input type="checkbox"/>	x	<input type="checkbox"/>	<input type="checkbox"/>	
<i>Target 4: Improvement of framework conditions, support programs and capacity building of stakeholders, to enhance competitiveness and added value in rural areas and in particular of the agricultural sector</i>	<input type="checkbox"/>	x	<input type="checkbox"/>	<input type="checkbox"/>	
<i>Target 5: Development of best practise models for vocational training oriented towards employability and skills demand (theory and</i>	<input type="checkbox"/>	x	<input type="checkbox"/>	<input type="checkbox"/>	

PA Targets (number and wording of the target)	Progress during the reporting period				Clarifications
	Completed	Satisfactory progress	Delayed progress	Other	
(a)	(b)	(c)	(d)	(e)	(f)
<i>practice) by the implementing pilot projects</i>					
<i>Target 6: Improvement of the entrepreneurship education in order to enhance the competitiveness of enterprises, especially SMEs through further development of the lifelong entrepreneurial learning system based on the identified set of strategic goals in line with Human Capital Dimension of the SBA for Europe</i>	<input type="checkbox"/>	x	<input type="checkbox"/>	<input type="checkbox"/>	
<i>Target 7: Improvement of business support in particular to strengthen the competitiveness of SMEs for international cooperation and trade</i>	<input type="checkbox"/>	x	<input type="checkbox"/>	<input type="checkbox"/>	

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

The current mindset is very focused on and supported in governmental level to the potential possibilities of the VET to establish and maintain well-functioning economic systems in the relevant countries. An up-to-date VET could help to improve the region's competitiveness. The visibility and effort is obvious in all EUSDR. The EUSDR PA8 WG VET's duty to help internationally and trough their members nationally to achieve the goals.

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

In WG VET the members representation is not enough strong: involvement of other organizations: Chambers, thematic clusters, SMEs, etc. The area of interest is different in the region as well as the development of VET system (differentiate countries with well-developed VET sys, countries with semi-developed VET sys, countries before establishment of VET sys). Different needs and actions to focus from the region: Raising the VET attractiveness, WBL, Networking and cooperation with schools/SMEs, Development of key competences, Trainings for trainers/teachers, Legal background adjustment measures for VET, VET competences for relevant professions.

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

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

The action of supporting the enterprises is a goal which could always be improved from the current level. Qualification schemes are relevant for the relevant countries one by one, as the VET system is not unified. In different countries caused by the approach of the VET systems (educational, economic, youth) different governmental institutions are responsible for the VET-related legal bases and its implementation on the daily basis.

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

The WG VET can help to set knowledge exchange meetings with VET-related actors of the Danube region and they can disseminate the knowledge gained in this meetings in their own countries. Therefore the yearly participation on the WG meetings and cooperation is highly appreciated.

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

Not at present.

2.4 PROGRESS ON MILESTONES

Table 3: Progress on milestones during the reporting period

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

PA Actions (numbers)	Progress on milestones during the reporting period									
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
A9										
A10										
A11										
A12										
A13										
A14										
A15										
A16										
A17										

Legend:

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

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

The results of the submitted projects based on transnational cooperation DTP 1st call the total of 15 transnational projects were finally selected for the financing in the two years that are strongly supported the third pillar "prosperity building" in the danube region.

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

The cooperation between the WG VET members need to be strengthened, but relevant EU institutions are unfortunately hardly reachable: EAfA, Cedefop, ETUC, UEAPME, BusinessEurope, CEEP. Even with a help of EC colleagues, there are not enough willingness from these organizations.

2.5 PROGRESS ON ACTIVITIES

Table 4 Activities undertaken to progress on PA implementation

PA Actions (numbers)	Activities undertaken during the reporting period to progress on PA implementation
(a)	(b)
A1	<ul style="list-style-type: none"> Revision of the WG members was done, analysis of the VET involved organizations are mapped. Contributing to the cooperation of business organizations in the Danube Region (e.g. cooperation of Chambers of Commerce and Industry, cooperation of Federations of Entrepreneurs and Industrials, cooperation of association of entrepreneurs, including women enterprises (timeline: continuously) was done as well as ongoing
A2	<ul style="list-style-type: none"> The plan to enlarge the DRVC is ongoing, but first need to work on the visibility and gain some experiences on the project implementation Strengthening of the institutional capacity of the involved business support agencies through targeted support and exchange of experience and best practise (timeline:continuously) is ongoing
A3	<ul style="list-style-type: none"> Closer cooperation with other PAs: With involvement of business associations, companies, students, chambers and public bodies the VET systems significantly increase the competitiveness in the Danube Region. Some joint event were organized and other to plan in the future even on WG level. Strengthening of cooperation with Business and Professional Women - BPW Danube Net from Bavaria (2016) has started
A4	<ul style="list-style-type: none"> VET development on the country level in the region: promotions to raise the attractiveness of the VET, Involvement of National Operative Programmes Improvement of the territorial competitiveness of border areas through the Danubian Tool-kit is still to achieve
A5	<ul style="list-style-type: none"> Multiplier effect of some ongoing projects related to VET: to submit in Danube Transnational Programme, Erasmus+, other LLP programmes, CBC programmes, etc. Enhancing women entrepreneurship and their business cooperation in Danube region is ongoing The survey was launched and the outcome was presented at the PA8 meeting in Dubrovnik. Connection with PA2 is established, Newsletter to members was launched.
A6	<ul style="list-style-type: none"> Additional effort to establish connection with EU VET- related organizations: EAfA, Cedefop, ETUC, UEAPME, BusinessEurope, CEEP

2.6 EUSDR STRATEGIC PROJECTS

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

Title of project proposed by PA as ESDR SP during the reporting period	Date of PA meeting when the project was approved as potential ESDR SP	To which PA target the project is relevant?	Main project activities of the EUSDR SP	Targeted funding source(s) for the SP

(a)	(b)	(c)	(d)	(e)

Question 15: Were any of the projects included in Table 5 already approved for funding during the reporting period? If so, please complete Table 6 below with the information only for those projects.

The project has been launched within the first Call of the Danube Transnational Programme. The first step of the first Call was successfully done. The second step is in process. The evaluation results of the second step of the first Call are expecting for September 2016.

Table 6: Proposed EUSDR strategic projects, which were approved for funding

<i>Title of project proposed by PA as ESDR SP, approved for funding</i>	<i>Total amount of approved funding</i>	<i>Approved funding source(s) for the EUSDR SP</i>
(a)	(b)	(c)

3 FUNDING

3.1 MAIN ACHIEVEMENTS IN TERMS OF FUNDING

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

1) Cross-clustering partnership for boosting eco-innovation by developing a joint bio-based value-added network for the Danube Region" (Danube BioValNet).

2) Learning by doing is about of developing transnational tools to support long term transition of VET systems and developing strategies describing transition of VET systems, policy recommendations, will ease the transition towards more efficient WBL schemes and modernization of the WBL systems.

3) "Made in Danube" project will try to improve the conditions for this cooperation by developing open innovation tools which will match the needs of companies with the expertise of research organizations

Projects 1) 2) and 3) will be financed out of the DTP.

4) National Authorities for Apprenticeships: Introduction of Elements Dual VET Slovak Republic" (INT-VET). This project is financed out of Erasmus +

3.2 LESSONS LEARNED

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

The current Technical Assistance for PACs funding by EU-COM over the DSP expired in December 2016. The new funding of the PAC activities is ensured by the financial instrument Danube Transnational Programme (DTP). The programme provides support to projects strengthening the implementation of the EUSDR. This support is provided within the framework of Priority 4, Specific Objective 4.2 "Support to the governance and implementation of the EUSDR". Under this specific objective the programme provides amongst others support to PACs aiming increasing the effectiveness of coordination and strategy implementation. The project proposal of DTP of PA 8 was approved.

3.3 THE FUTURE

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

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

The funding sources for PACs and the application process for strategic projects through DTP have to be less bureaucratic.

4 GOVERNANCE

4.1 ORGANISATION AND FUNCTIONING OF PA

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

Not applicable.

Question 20: Please provide in Table 7: Attendance of SG meetings

<i>SG meeting</i>	<i>AT</i>	<i>BIH</i>	<i>BG</i>	<i>CZ</i>	<i>DE</i>	<i>HR</i>	<i>HU</i>	<i>MD</i>	<i>ME</i>	<i>RO</i>	<i>RS</i>	<i>SI</i>	<i>SK</i>	<i>UA</i>
<i>12th SG 16.11.2016 Vienna</i>	-	-	-	+	+	+	+	-	-	-	-	-	-	-
<i>11th SG 05.06.2016- 07.06.2016 Dubrovnik, Croatia</i>	+	-	+	+	+	+	+	-	-	+	+	-	-	-
<i>10th SG 10.12.2015 Budapest, Hungary</i>	-	-	+	+	+	+	+	+	-	+	+	-	+	+

the requested information on attendance (+/-) of Danube countries at SG meetings held during the reporting period.

Table 7: Attendance of SG meetings

<i>SG meeting</i>	<i>AT</i>	<i>BIH</i>	<i>BG</i>	<i>CZ</i>	<i>DE</i>	<i>HR</i>	<i>HU</i>	<i>MD</i>	<i>ME</i>	<i>RO</i>	<i>RS</i>	<i>SI</i>	<i>SK</i>	<i>UA</i>
<i>12th SG 16.11.2016 Vienna</i>	-	-	-	+	+	+	+	-	-	-	-	-	-	-
<i>11th SG 05.06.2016- 07.06.2016 Dubrovnik, Croatia</i>	+	-	+	+	+	+	+	-	-	+	+	-	-	-
<i>10th SG 10.12.2015 Budapest, Hungary</i>	-	-	+	+	+	+	+	+	-	+	+	-	+	+

4.2 COORDINATION AND COOPERATION ACTIVITIES

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

PA 8 enhanced and intensified cooperation with other PAs, in particular with PA 7 as well as with the Business Professional Women Danube Net. The successful cooperation with PA 7 is demonstrated by the successful completion of the project Erasmus + project "Introduction of Elements Dual VET Slovak Republic" (INT-VET) in Slovakia.

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

Not applicable.

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

Not applicable.

4.3 ACTIVITIES FOR INVOLVEMENT OF STAKEHOLDERS AND CIVIL SOCIETY

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

Not applicable.

4.4 PUBLICITY AND COMMUNICATION ACTIVITIES

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

Better publicity and communication of the activities of PA 8 were undertaken with the following methods:

- Internet <http://www.danube-competitiveness.eu/>
- Conferences and Events
- Booklets, Flyers, Banner
- Daily communication by phone or e-mail
- Stakeholder-Meetings

4.5 LESSONS LEARNED

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

What PACs 8 have experienced, the success of the EUSDR depends on the input and commitment of the stakeholders in the target region. Their engagement is essential for the realization of strategic projects according to the EUSDR. The SG-members and PACs, nominated by the respective governments in the target countries and mandated by the EU Commission as well, are tasked to support the implementation of EUSDR projects by coordination (subsidiarity principle). As stipulated in the documents of the EU Commission and the EU Council: "the PACs and the SG form the implementation core of the Strategy. Their work needs further embedding in political and administrative structures. Their visible, central role requires institutional stability, political recognition and allocation of sufficient human resources. Adequate staff and support from ministries to enable them to fulfil their role is crucial. The PACs and SG members should be officially appointed (by the sector ministers) and should receive a clear mandate, along with sufficient resources" (see the above mentioned Report, point 5, recommendations).

The political support of the Steering Group and the PACs is crucial for a successful implementation of the EUSDR action plan; this would most effectively be achieved through the provisions of the prime ministers. In view of the specific oft-repeated declaration that the EUSDR is a "management issue", a guarantee of support should be given as soon as possible through the line ministers in the Danube region. If this fails, the macro strategy will be doomed. The NC and the DSP in Brussels should support the work of the EUSDR key implementers. They should facilitate their work and not act as "coordinators of the coordinators", they should help the PACs especially by avoiding more workload and bureaucracy (see EU-COM Report, 20.05.2014 COM (2014) 284 final).

There are still expectations of the EUSDR as a funding instrument. But potential stakeholders must be made aware that they must also play an active role, and that the EUSDR only provides the framework. Funding instruments must be represented in the context of other targeted events for potential applicants and must be available transparent online at all times.

Furthermore, the success of the EUSDR also depends on a relatively unbureaucratic financial support of Technical Assistance (TA) for the work of the PACs. The new application procedure for the TA via the DTP involves an enormous amount of additional work for the PACs. This bureaucratic administrative structures and similarly bureaucratic funding programmes hamper the coordination of the SGs and the PACs: Travel logistics for non-member target countries at events (in particular Steering Group – and WG meetings and other events) can in future no longer be dealt through the PACs. It must be ensured that this task will in future be carried out e.g. by the DSP, otherwise non-member states will not be able to participate. An important support role of the DSP could be that the governance structure of EUSDR is being implemented consistently, for example by encouraging awareness to the policy makers via the NCs that the Steering Groups of the PAs are staffed with adequate experts.

4.6 THE FUTURE

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

Next steps for better PA8 governance in the new funding period:

- 13th/14th Steering Group Meeting in 2017
- Working Group Meetings in 2017
- Danube Economic Forum in 12th/13th June 2017 in Vukovar
- 6th Annual Forum will be jointly organized by Hungary and EU-Commission on 18th/19th October 2017 in Budapest.