

## **EUSDR Report June 2012**

### **Priority Area 8**

#### **“To support competitiveness of enterprises, including cluster development”**

Coordinated by Baden-Württemberg and Croatia

## **1. OVERALL PROGRESS**

### **1.1 State of Play**

The actions and projects of Priority Area 8 (PA 8), which serve to strengthen the competitiveness of undertakings in the target area and the basic framework conditions necessarily associated with them, are moving progressively forwards in the direction of the prescribed objectives. Networks have been set up with the stakeholders in the 14 participating states involved in the strategy and have then been further extended. The networks embrace the National Contact Points (NCPs), members of the Steering Group (SG), the Working Groups (WGs) of the SG, the EU Commission and other supra-national as well as international institutions together with the other PAs especially PA 7, PA 9 and PA 10, which are particularly important to the activity of PA 8. As well included are Interact and further stakeholders concerned with, for example, science, education, environmental technologies and business generally.

The integration of the participating partners was not only a pre-requisite but also a main objective for the coordination function of the Priority Area Coordinators (PAC) at the beginning of the implementation phase – a function which was required to promise success.

In the expiring EU funding period up to 2013 it was advisable to inform other parties about the macro strategy and to mobilize interest through appropriate events despite or rather because of the EU funds largely used within the eligibility period.

As documented below, about 50 projects have been initiated in PA 8 or are already up and running. In the next phase, the speedy implementation of projects with predictable outcomes and the capacity to be imitated – so-called flagship projects – will be made a central objective.

Seven such flagship projects have already been initiated, namely: “South East European Centre for Entrepreneurial Learning” (SEECCEL), Cluster Atlas (to be implemented by several projects of the WG “Clusters of Excellence”), Centres of Excellence (to be implemented by several projects of the WG “Innovation and Technology Transfer”) and Centres of Competence “Smart and Innovative Rural Areas” (SIRA DANUBE) and “SEE Management Forum” (IEDC-Bled School of Management). Two further projects – “Seeged+Innoinfo” (Vocational Training) and “Blue Danube” (a pilot

project for clarification plants) have been submitted to Budapest as part of the South East Europe Programme (SEE) and are waiting for a decision to be made.

It should be noted, however, that some difficulties have been encountered in obtaining project proposals from a few colleagues in the SG in a set time frame and in satisfactory form.

Overall, the development process within PA 8 is positive. The short-term objective was the establishment of a strong SG with members who identify themselves with both the objective requirements and the implementation mechanism and who are likely to participate in a pro-active manner.

Essential objectives which have been attained (details may also be found in 1.2):

- The establishment of a SG which is already working with more than 10 of the 14 member states of the EUSDR in each SG session
- The establishment of so far four Working Groups (WG) giving advice to the SG in particular. This step was necessary as a consequence of the wide range of action areas in which PA 8 is involved
- The formulation of PA 8 objectives ranging from the objective horizon “Europe 2020” broken down to the PA level and creating ‘Roadmaps’ by the four WGs
- Current flagship projects:
  - Cluster Atlas
  - Blue Danube
  - Vocational Training (Seeged+Innoinfo and SEeDual)
  - SEECCEL
  - SEE Management Forum
  - Centres of Excellence (e.g. innovation and technology transfer)
  - SIRA DANUBE
- The formation and extension of the network to involve all relevant stakeholders of PA 8 in order to provide a permanent information exchange system between all stakeholders and concerned with best practices – i.e. by working meetings and other forms of communication, such as the telephone, or email
- Setting up a website using the platform made available by Interact to offer information about the priority area – and to use it as an efficient communication platform
- Holding events to provide information and to allow the exchange of thoughts and ideas – all in order to encourage participation. Typical examples are:

- Kick-off Meetings in Stuttgart and Zagreb
  - Meetings of the individual Ministers in Stuttgart, Brussels and Strasbourg
  - Environmental technology events in Stuttgart
  - SMART Specialisation in Stuttgart
  - “Migration in the DANUBE Region – seize opportunities; recognize potential” in Stuttgart (in preparation).
- Efforts were made to optimize the work of PA 8, including proposals relating to both administrative and political levels (Prime Ministers’ / Ministers’ concern, senior experts from the relevant Ministries in the SG)
  - Preparations for carrying out an EU-financed socio-economic study as a basis for the development of objective-realizing projects
  - The development of an information and mobilisation campaign concerning the objectives and success prospects of the EUSDR
  - The establishment of an advice network – “Task Force Baden-Württemberg for the promotion of competitiveness in the EUSDR” of business organizations in Baden-Württemberg
  - Setting up a special fund to promote selected EUSDR projects making use of expertise available in Baden-Württemberg. The ultimate decisions are to be made by the Minister for European Affairs who was appointed to be especially responsible for the Danube Strategy in the State Government.

## 1.2 Process

With regard to the meeting of the SG before the summer break of 2011 and arranged in accordance with the requirements of the EU Commission, the recruitment of competent members presented a challenge and required a substantial effort to be made.

In the SG meetings, all of which have been regularly attended by experts from more than 10 of the 14 participating states, the objective requirements of “Europe 2020” were broken down into attainable mid-term working targets having a function/ completion time schedule (roadmaps). These are set out for each of the four targets 1), 2), 3) and 4) in Annex 1 to this document.

The wide-spread nature of the PA 8 action fields involves the promotion of cooperation between undertakings, the transfer of technology from research and other scientific institutions and covers different sections such as environmental technology, career training and the promotion of competitiveness in rural occupations (e.g. food processing). For this reason, the four WGs, offering important advisory functions to the SG of PA 8, were established, namely: “Clusters of Excellence”, “Vocational Training”, “Innovation and Technology Transfer” and “Competitiveness in Rural and

Urban Areas”. Two further WGs – “Entrepreneurial Learning” and “Energy Efficiency and Environment” – are in the course of preparation.

Effective cooperation between the members of the SG of PA 8, which is an important committee for successful coordination, is an indispensable prerequisite for the successful implementation of mutual EUSDR-projects. For that reason communication between the relevant stakeholders has been intensified.

As it was previously the case, challenges remain in the coordination activity. Typically, problems arise when committed experts from member regions subscribing to the strategy participate in PA 8 Meetings but no senior experts from the responsible ministries, capable of making high-level policy decisions, are present (i.e. decision-making members of regional administrations). The promotion of PA objective-setting activities is always more successful in regions where the EUSDR is an item of the ministers’ consideration.

A corresponding suggestion made by EU Commissioner for Regional Policy, Johannes Hahn, to the Governments of the EUSDR underlines this fact.

For the success of the EUSDR proactive stakeholders are the essential prerequisite. If they don’t show a stronger engagement or if they don’t even get at least actively involved in the implementation process of the action plan, best coordination efforts will remain without effect.

Further challenges arise in many countries in the region as a result of the distraction caused by elections – this can last for several weeks both before and after an election. The impact applies to the cooperation with responsible stakeholders and to both public administration matters and those of the private sector.

The first months of the implementation phase reveal that inter-regional cooperation functions more simply and more effectively by having access to reliable networks, political support and the availability of adequate resources in terms of personnel and financing arrangements.

For a long time at the beginning of the promotion of mutually supported flagship projects, the formation of a strong SG was the main theme of the PA. In the Danube region it was and remains a challenging task to make people along the most international river in the world aware of the different socio-cultural and socio-economic conditions attached to both partnership cooperation and coordination activities. Now, attention is focused on continuity, consolidation – and in the next phase – the speedy development of multiplier projects with a beneficial effect upon the general public. In that context, a central consideration must be the financing arrangements.

The rules for the work of the SG will be further developed and agreed upon by the time of the next SG meeting.

### 1.3 Funding

In the meantime, during the expiring EU funding period up to 2013 (the acceptance of project applications has now almost come to an end) projects asking for promotional approval involving financial support have been submitted. Nevertheless a central element of the activity of PA 8 has been the preparation of actions and measures concerned with the coming promotional period 2014 - 2020.

In the EU funding period ending in 2013, despite the drying-up of EU financial support it has been possible to identify new sources of financial support.

As it has always been the case, the question of financial support remains a central preoccupation of both project applicants and the developers. The PAC will introduce more transparency and arrange contacts with financing institutions. In that respect, Letters of Recommendation (LoR) will be issued when they could be useful.

Successful cooperation relating to financing issues has been established with PA 10 such as, for example, the meeting entitled “Financing Dialogue”. The cooperation which has taken place in this connection will be continued.

Some PA 8 flagship projects, e.g. “Blue Danube” or “Vocational Training” in Hungary, have been submitted to the SEE Transnational Cooperation Programme in Budapest and a decision is awaited.

The PA 8 projects which are in preparation for the next promotion period from 2014 onwards should be ready for presentation in the coming year.

### 1.4 Next Steps

With its WGs, the PA 8 is on the point of contributing to achieving the set objectives by establishing centres of excellence in different regions concerned with innovation and the transfer of technology, the development of commercial activity in rural areas and the development of environmental technology in general by taking speedy and concrete measures. Within a few months these competence-based institutions should be ready to operate in cooperation with governmental bodies (national, regional and communal), scientific and research organisations, private business undertakings together with inter-regionally active bodies together with other stakeholders to develop projects which are capable of being realised and deserving of support. Work is currently being carried out on project concepts with operational and completion-time schedules (roadmaps) with the support of financing expertise provided by Baden-Württemberg.

Other areas of activity include:

- Further development and care of the network involving relevant stakeholders and amongst others, the PACs in the fields of environment, transport and energy, science and education

- Development of flagship projects such as the establishment of the Cluster Atlas (Fast Track) in 2013

Further projects (see attachments in [Annex 2](#)) serve to provide information about and raise awareness of the objective-setting activity and the opportunities which the EUSDR offers. One such feature planned by the Council of Danube Cities and Regions (CODCR) will be to organise a road show in selected towns along the Danube.

The “Municipal Capacity Building” project in the EUSDR context is implemented by means of twinning projects undertaken by the CODCR to help the municipal and local administrations in the region promote desirable development activities. These include providing further and advanced education, holding workshops, etc. with scientific support and involving, for example, the areas of urban development and traffic management, environmental issues and energy, business development, culture and tourism, general education, etc.

The “Task Force Baden-Württemberg for the promotion of competitiveness in the EUSDR” which consists of important organisations in Baden-Württemberg concerned with the promotion of business and relevant institutions such as the Ministry for Science and Research, other institutions offering vocational training, experience of the environment and particular capabilities relevant to PA 8 will provide technical support to the development and implementation of new projects and initiatives.

Baden-Württemberg has set up a special fund for promoting project activities in the Danube region and the Minister for European Affairs of the State will decide for which project it is used. This is regarded as some kind of seed funding for selected projects which should achieve speedily predictable and sustainable results in the context of the macro strategy by utilising know-how and expertise from Baden-Württemberg.

In this and the coming year, the completion of (flagship) projects likely to be given approval and receive financial support from EU-promotional organisations will be an important matter. It is necessary to identify the responsible funding organisations and make contact with them.

With regard to the theme of SME financing, a mutually agreed position for the SG relating to the configuration of the conditions to be applied to the funding period starting in 2014 will be elaborated.

SMART Specialisation is an important key to promoting competition in the macro-region and will, therefore, receive appropriate attention when PA 8 defines objectives and develops projects.

It is the intention of the PAC to continue constant supervision of the actions and projects already started. Other plans under preparation or likely to be considered seriously will continue to receive constructive support. Concentrated attention will then be given to those which offer the earliest and best potential for being successful and where suitable cooperation partners for these multiplier or value-adding projects can be actively involved.

## **2. PROGRESS BY TARGET**

As reported above, the requirements associated with “Horizon Europe 2020” were broken down by the SG of PA 8 into four specific main targets. These specific targets for PA 8 are as follows:

1. Highlighted target for PA 8: “Establishing a cluster network for the EUSDR (identification of the founded institutions in this connection, as well as the existing networks) by 2014”
2. “Better use of environmental technologies, like for example: sewage treatment, refuse disposal, generation of energy from renewable resources, etc., first of all, through determination of the regional decision-makers concerning submission of the applications”.
3. “Improvement of the technological transfer through establishing measures like consulting services by chambers and other institutions or organizations, typically in cooperation with the Priority Area Coordinator from Priority Area 7 "knowledge society"
4. “Improvement of the vocational training, subject to participation by the private sector (a dual system of practice and theory) through pilot projects (identifying the potential institutions, as well as the partners and projects)”

The WGs established within PA 8 have developed appropriate actions and projects to achieve these objectives and a start has been made with their implementation.

To achieve a comprehensive and sustained achievement of objectives there is a need for a basic socio-economic study to be made. Operating on the basis of the stated requirements of the individual regions, the achievable objectives and the ideal desirable outcomes and taking into account the possible limitations and other hindrances associated with the available support resources such as sources of funding the study will draw up working recommendations for the project as a whole.

There follows a representation of the specific current situations relating to the implementation of the four main objectives of PA 8 and also to individual actions.

## 2.1. Highlighted target for PA 8: “Establishing a cluster network for the EUSDR (identification of the founded institutions in this connection, as well as the existing networks) by 2014.”

### 2.1.1. Action: “To foster cooperation and exchange of knowledge between SMEs, academia and the public sector in areas of competence in the Danube Region.”

The WGs “Clusters of Excellence” and “Innovation and Technology Transfer” follow and support the project activity with an active promotion of innovation which takes particular account of intelligent specialisation (Smart Specialisation).

One item in this respect is the establishment of a cluster network for the target region. The purpose of this cluster network is to develop a cluster atlas which is to serve the exchange of best practice procedures between inter-regional partnerships in order to promote the special strengths of particular regions – e.g. specialised knowledge and competence – to develop a profile of those Regions. Also involved are the establishment of new technology parks and the use of existing ones together with the inter-connection of existing networks.

In addition, the promotion of innovation and technology transfer centres has been undertaken, initially by pilot schemes making use of existing structures in different regions/countries. According to the differences in stage of development of individual Danube regions, measures are identified that are building the necessary basis for implementing a functioning and successful transfer of knowledge between SMEs, academia and public sector. On the basis of the transfer of knowledge between co-operating partners project applications are to be developed and submitted for financial support as soon as next year. By means of, for example, a voucher system in some higher developed economies, companies are to be supported by individuals, universities or transfer institutions having technical or management skills. In efficiency driven and factor driven economies, enterprise and academia need to learn how to work together – and even need to learn that their interaction is basis for being competitive.

- Progress in the implementation of the action:

The SG is supported by a strong WG “Clusters of Excellence” with qualified experts in the field of cluster development. According to the roadmap, mapping of the existing clusters and cluster networks in the Danube Region will be completed as early as at the end of 2012.

The two projects “Cluster Atlas” and “Technology Transfer Centres” are **flagship projects** which are implemented by several projects monitored by the WGs. The Cluster Atlas will serve as the basis of information for cooperation of clusters in the Danube Region. Currently, the WG “Clusters of Excellence” collects data of already existing clusters. The WG “Innovation and Technology Transfer” aims to have completed the development of project applications which are worthy of financial support by the middle of 2012. Initially, this will take the form of transfer processes and structures applied by pilot centres in at least 3 regions (envisaged pilot regions: Romania, Slovakia, and Serbia). These plans will be supported by financial know-how provided by Baden-Württemberg.



Projects mentioned in the EUSDR action plan for PA 8 such as “To develop a Danube Region programme for clusters and SMEnetworks (SMEs)” are in preparation. As a result of personnel shortages in the management areas there has been no progress with these projects.

The **flagship model project** “Blue Danube” concerned with the promotion of four-stage clarification plants in Bulgaria and Serbia – assisted by cooperative expertise provided by Baden-Württemberg – is included in the plan. The project helps establish the “Danube Region network for innovative environmental technologies” as listed as an example project in the PA 8 action plan. A financing project which should follow in the form of supra-national, national and regional development support is not yet available.

With regard to the project idea “To utilise better the performing, heritage and cultural assets of the Region by developing strengths in the creative, cultural, entertainment and tourism industries” the WG “Competitiveness in Cities and Rural Areas” (namely the CODCR) will develop and implement a roadmap in the next few weeks.

Other projects which support the setting of objectives in the action area are included in the following lists as well as in Annex 2.

- List of projects in the context of the action

<b>Project Action 2.1.1</b>
Autoclusters
BioTeCC - Triple Efficiency in the Biomass Value Chain Along the Danube Green Chemistry Belt
<b>Blue Danube</b> – Pilot model project on fourstage clarification plants ( <b>flagship project</b> )
Cluster Initiative for the modernisation of the manufacturing industry in the Danube area
<b>Cluster Atlas (flagship project, implementation by several projects)</b>
Clusters for European Innovation Cross-Linking (Clusterix)
Cluster-Cord (implementing the flagship project <b>Cluster Atlas</b> )
CluStrat – Boosting innovation through new cluster concepts in support of emerging issues and cross-sectoral themes (implementing the flagship project <b>Cluster Atlas</b> )
CNCB, Cluster and Network Cooperation for Business Success in Central Europe (implementing the flagship project <b>Cluster Atlas</b> )
Creating a centre of excellence in the Danube region for the industries con-

structuring technical equipment designed to serve the agriculture- and food industries (from 2014)
Creating a network for obtaining capitalization of biomass use (Miscanthus type) in the Danube areas (from 2014) and improvement of that service
Creating a network of collection and primary processing of agricultural products (fruit, vegetables, seeds) in the Danube macro-region (from 2014)
Creating an acvacol-network for intensive breeding of valuable fish species by using the extensive natural water resources of the Danube macro-region (from 2014)
Danube Creative Cluster (from 2014)
Danube Energy Management Forum (DEMF) (from 2014, implementing the flagship project <b>Centres of Excellence</b> )
Danube Region Clusters' e-Platform (DRCeP) (implementing the flagship project <b>Cluster Atlas</b> )
Danube Transport and Mobility Forum (DTMF) (from 2014, implementing the flagship project <b>Centres of Excellence</b> )
Development of a network of innovative agro-industrial clusters in the Danube region (from 2014)
Establishment of the Strategies to Respond Rapidly in Case of Ecological Accidents Generated by Leakage of Harmful Substances into Water or Air from the Manufacturing Plants Located in the Vicinity of the River (from 2014)
Fashion & Creativity Innovation Cluster - Creation, Production, Retail & Distribution incubator
Fostering inter-cluster cooperation in the Danube Region (from 2014)
Innovative Cluster Support Integrated Organisation Network- Inclusion
Integrated learning process for Danube industry in the field of innovation and technology transfer, environment protection, production optimization, organization development - DanubeINO
Integrated, complex, rural-floodplain landscape management of the Közép-Tisza-valley
Integrated learning process for Danube industry in the field of innovation and technology transfer, environment protection, production optimization,

organization development - DanubeINO
Mobile identification of citizens for digital interactive processes IMIME
Monitoring and Simulation System of the Erosion and Desertification Phenomena in the Danube River Basin, in order to create a Response Strategy and amelioration of the problems (from 2014)
New generation of E-services and M-services for citizens (NeWEMSer)
Smarter Cluster Policies for South East Europe – Cluster PoliSEE
South-East European Network of Excellence of Cluster Organisations (SEENECO)
Support of tourism and local development in Bulgaria and Romania through creation of regional clusters
Sustainable rural tourism - Pilot program of rural and agro-tourism
<b>Technology Transfer Centres (flagship projects)</b>
Technology Transfer Cluster for rehabilitation of areas contaminated by mining and industry
The development of a pilot program designed to build a regional energetic consultancy network in order to extend the use of renewable energy sources
TourNet – Promotion of cross-border networking for development of common Bulgarian-Rumanian Tourist Products
Training for Cluster Managers (from 2014)
Transnational Network of Leading Automotive Regions in CE

**2.1.2. Action: “To eliminate cross border barriers and bottlenecks to people and business - Seamless Europe for a liveable Danube Region.”**

The aim of the action is to help improve areas where there are implementation gaps in the internal market, for example, services, taxes and immigration flows based on frontier-crossing traffic and business activity.

- Progress in the implementation of the action:

In the context of the flagship project “Seeged+Innoinfo” under the management of the Chamber of Commerce in Budapest institutional partnerships and contacts with relevant institutions and initiatives have been established. is an IT innovation: portal for companies. The portal would create a direct connection between firms, as well as companies and Chambers of Commerce, universities, municipalities, state administration, and taxes offices(\* correction made by Ervin Kiss). The final objective is the establishment of a vocational educational training (VET) Cluster which should materially simplify the cooperation of Chambers of Commerce, businesses and other organisations.

The main component of the Seeged+Innoinfo project is an IT innovation: portal for companies. The portal would create a direct connection between firms, as well as companies and Chambers of Commerce, universities, municipalities, state administration, and taxes offices. The most important function of the portal will be the spreading of information on inventions and directing this information towards potential SME adaptors in South east European region. A key success factor of the planned portal is the huge number of initial users. The participating chambers have over a million SME members. If the flow of information and the spread of innovations can be accelerated among these enterprises, it could effectively lead to the boost of economy in the Danube region. The project is based on a research component, implemented by strong network of SEE elite universities. Another important component is the online trainings for municipalities, chambers, and SMEs of the EU candidate countries. There are more than 10.000 potential participants to these trainings.

Seeged+Innoinfo project is a flagship project, which was submitted into South East Europe Programme in November 2011. The Decision of the Monitoring Committee of SEE is going to be made by the end of June 2012.

The provision of management forums should contribute to attaining this objective. Two such forums with different basic subject contents have been prepared by the WG “Innovation and Technology Transfer” and will be held from 2014 on.

Other projects which support the setting of objectives in the action area are included in the following lists as well as in Annex 2.

- List of projects in the context of the action

<b>Project Action 2.1.2</b>
<b>Danube Energy Management Forum (DEMF)</b> (from 2014, implementing the flagship project <b>Centres of Excellence</b> )

<b>Danube Transport and Mobility Forum (DTMF)</b> (from 2014, implementing the flagship project <b>Centres of Excellence</b> )
<b>Seeged+ Innoinfo</b> - Increasing the Competitiveness and Innovation Capacity of SME's in the South East European Region – The Continuation of the Szeged Plus Program ( <b>flagship project</b> )
The promotion of the typical Hungarian products (Hungarikum), through the implementation of the pilot program for onions from Mako and the Hungarian spice paprika

**2.2. Target: “Better use of environmental technologies, like for example: sewage treatment, refuse disposal, generation of energy from renewable resources, etc., first of all, through determination of the regional decision-makers concerning submission of the applications.”**

**2.2.1. Action: “To improve the competitiveness of rural areas and in particular of the agricultural sector.”**

The efforts to promote competitive capability in rural areas and cities are based upon making enterprise activities on the land less difficult and providing support for innovation and cooperation in the agricultural industry. It also includes providing support for the diversification of the farming economy in terms of production, distribution and marketing – e.g. by clusters. This will be attempted by developing close cooperation with responsible authorities, food-stuff companies and farmers together with European authorities and development organisations. In particular, centres of excellence with competence in matters such as information technology, consultancy and qualification procedures are to be involved in existing pilot projects and others capable of being expanded in different regions and counties so that they can function as multiplying influences.

- Progress in the implementation of the action:

A roadmap “Competitiveness and rural economic development” has been drafted and approved by all members of the WG Rural areas.

The proposed outline of the WG responds to the Europe 2020 strategy which calls for an innovative and a resource efficient Europe and highlights the building of a bio-economy by 2020 as one of the deliverables under the Innovation Union. The EU bio-economy strategy and action plan will offer a framework for stronger coherence between our various policies and funding instruments; and it aims to ensure the utilisation of the full potential of Europe’s resources, knowledge and industrial capabilities in all of the bio-economy sectors, taking into account the needs of farmers, fishermen, industry and consumers, and society in general.

The vision is to have competitive and developed rural areas within the Danube Region in accordance with the priorities set in Europe 2020 Strategy, the EU bio-economy strategy and action plan and the Common Agricultural Policy

Topics within the scope of the Working Group to be considered are food production and supply chain, renewable sources of energy and use of biomass for meeting local energy needs, sustainable use of natural resources in rural areas and sustainable use of economic and natural assets for development of diversified value-added activities. These include e.g. the establishment and development of rural tourism clusters for eco-destinations, transfer of green know-how and technologies for environment protection, enhancing of business links and common branding of products.

The Project “Centres of rural development” aims 3 to 5 competence centres to be established and clustered as a pilot approach to professionalise rural innovation knowledge systems alongside the agri-food chain and renewable energy sector for smart growth. The competence centres connect higher education and R&D institutions, economy and firms/ farmers with supportive learning and innovation through knowledge and technology transfer and networking for local/ regional/ macro-regional

interactions. Specific curricula and programmes will be developed in a second step based on the feasibility results. The project period 1 will be from 2012 – 2013.

Project Initiation Stage:

- until 07/ 2012: identification of 3 to 5 partner institutions and other contact persons/ institutions (potential institutions: Osijek University – Faculty of Agriculture/ Faculty of Food Science, Croatia; Hodmezövarsarhely/ Hungary, University Novi Sad – Faculty of Agriculture; Science and Research Institute for Food Technologies, Serbia; University of Timisoara/ Voitec Agrarian Vocational training Centre, Romania; Plovdiv University, Bulgaria)

- until 07/ 2012: search for funding for the implementation of the follow-up preparatory measures.

The **flagship project “Smart and Innovative Rural Areas”** (SIRA Danube) intends to establish a cluster of Competence Centres at higher and vocational education institutions in the Danube Macro Region to foster competitive rural development and economic diversification of SMEs. Minimum 3 Competence Centres shall be established in a pilot approach to:

- professionalise entrepreneurs/ farmers of rural regions in the EU Danube Macro Region for smart, competitive and sustainable agri-food and renewable energy systems through provision of vocational training and advisory services (financing applications, technical assistance etc.)
- establish/ reinforce technology transfer from science directly to farmers and rural entrepreneurs
- establish/ reinforce open research and knowledge-driven collaboration structures (local networks, inter-regional clusters, internationalisation of clusters) between different stakeholders in the agri-food and renewable energy systems to increase rural competitiveness and sustainability
- increase institutional (regional/ local) governance while looking on innovation systems on individual and systems levels and addressing system failures of weak connectivity and lack of transformative capacity in the agri-food value chain and renewable energy sector within and between the regions in question.

The project is lead and coordinated by the Eastern European Centre at the University of Hohenheim, Stuttgart/ Baden-Wurtemberg at its initiation phase. Currently the identification of potential partner institutions is ongoing and preliminary discussions have been hold with three institutions. In parallel an application for financing the costs arising during the Project's initiation phase 2012/ 2013 such as for coordination, feasibility studies etc. is aspired. The decision is expected by the end of June 2012.

Other projects which support the setting of objectives in the action area are included in the following lists as well as in Annex 2.

- List of projects in the context of action

<b>Project Action 2.2.1</b>
Creating a centre of excellence in the Danube region for the industries constructing technical equipment designed to serve agriculture and food industries (from 2014)
Creating a network for obtaining capitalization of biomass use (Miscanthus type) in the Danube areas (from 2014) and improvement of that service
Creating a network of collection activity and primary processing of agricultural products (fruit, vegetables, seeds) in the Danube macro-region (from 2014)
Creating an acvacol-network for intensive breeding of valuable fish species by using the extensive natural water resources of the Danube macro-Region (from 2014)
Development of a network of innovative agro-industrial clusters in Danube region (from 2014)
Integrated, complex, rural-floodplain landscape management of the Közép-Tisza-valley
New generation of E-services and M-services for citizens (NeWEMSer)
"Nyúl-unk a munkáért"- Pilot program for small-animal husbandry (rabbits)
Project Danube Cities and Clusters – important competitive factors (DCaC)
<b>SEECCEL</b> – South East European Centre for Entrepreneurial Learning ( <b>flagship project</b> )
<b>SIRA</b> - Smart and Innovative Rural Areas ( <b>flagship project</b> )
Sustainable rural tourism- Pilot program of rural and agro-tourism
The promotion of the typical Hungarian products (Hungarikum), through the implementation of the pilot program for onions from Makro and the Hungarian spice paprika



**2.3. Target: “Improvement of the technological transfer through establishing measures like consulting services by chambers and other institutions or organizations, typically in cooperation with the Priority Area Coordinator from Priority Area 7 ‘knowledge society’.”**

**2.3.1. Action: “To improve business support to strengthen the capacities of SMEs for cooperation and trade.”**

The level of trading activity and the development of conditions which are attractive to further investment in the Danube Region are to be brought about by the improvement of the degree of cooperation between different economic institutions – for example by meetings such as forums involving the private sector (enterprises, SMEs), public authorities and scientific institutions. Other measures will include a strengthening of company competence by measures involving consultancy and qualification procedures for technical- and management personnel engaged in commerce.

- Progress in the implementation of the action:

Several Chambers of Industry and Commerce from Danube Region countries/regions have associated themselves with the “the Danube Chambers of Commerce Association” (DCCA). The purpose of the DCCA is to develop sustainable competitiveness of the economies connected by the River Danube. The headquarters of the Organization at its establishment is the seat of the Budapest Chamber of Commerce (BKIK). The Statute was signed in November 2010. The DCCA members agreed to support especially dual vocational training in the region – coordination of training systems, vocational clusters, competitiveness of enterprises and cultural tourism along the Danube – the creation of the Danube Regional Cultural Tourism Cluster.

The members of the DCCA are:

- Chamber of Industry and Commerce Ulm
- Chamber of Commerce and Industry for Lower Bavaria in Passau
- Upper Austrian Economic Chamber
- Lower Austrian Economic Chamber
- Vienna Economic Chamber
- Chamber of Commerce and Industry of Győr-Moson-Sopron
- Budapest Chamber of Commerce and Industry
- Chamber of Commerce and Industry of Pécs-Baranya
- Croatian Chamber of Commerce - Regional Chamber Osijek
- Regional Chamber of Commerce Novi Sad
- Timisoara Chamber of Commerce, Industry and Agriculture
- Belgrade Chamber of Commerce
- Bucharest Chamber of Commerce and Industry
- Ruse Chamber of Commerce and Industry

It is the objective of the DCCA to do everything in their power to optimize the economic potential of the Region by an improved system for the exchange of information and educational concepts. In this context the implementation of the two flagship pro-

jects on vocational training, “SEe-Dual Project” and “Seeged+ Innoinfo” is promoted by the DCCA.

Cooperation with PA 7 “knowledge society” has been established and corresponding steps of actions will be taken commonly, e.g. the alignment of implementation strategies for “Centres of Excellence” (PA 8) and “Research & Innovation Centres” (PA 7).

Other projects which support the setting of objectives in the action area are included in the following lists as well as in Annex 2.

- List of projects in the context of the action:

<b>Project Action 2.3.1</b>
CENTROPE_TT, Tools for Transnational Innovation Support in CENTROPE (implementing the flagship project <b>Cluster Atlas</b> )
Danube Energy Management Forum [DEMF] (from 2014, implementing the flagship project <b>Centres of Excellence</b> )
Danube metropolises – venue for SME and inventors’ encounters
Danube Region Cluster’s e-Platform (DRCeP) (implementing the flagship project <b>Cluster Atlas</b> )
Danube Transport and Mobility Forum [DTMF] (from 2014, implementing the flagship project <b>Centres of Excellence</b> )
Development of a Basic Tool for Support – a Dynamic Transnational Revolving innovation Fund
Economic, Organizational and Educational Co-operation in Fashion Industry - Setting up a Retailers Association and a Retail/Distribution Institute for vocational training
Fashion & Creativity Innovation Cluster - Creation, Production, Retail & Distribution incubator
Integrated learning process for Danube industry in the field of innovation and technology transfer, environment protection, production optimization, organization development - DanubeINO
Local economic development pilot program - development of food production and direct sales in Zemplén and Nagykunság
New generation of E-services and M-services for citizens (NeWEMSer)
Partnership for Creativeness 1
<b>SEECCEL</b> – South East European Centre for Entrepreneurial Learning ( <b>flagship project</b> )

<b>SEeDual-</b> Introducing dual vocational training systems in South East Europe (flagship project)
<b>Seeged+ Innoinfo</b> - Increasing the Competitiveness and Innovation Capacity of SME's in the South East European Region – The Continuation of the Szeged Plus Program (flagship project)
<b>Technology Transfer Centres</b> (flagship project)
The development of a pilot program designed to build a regional energetic consultancy network in order to extend the use of renewable energy sources
The promotion of the typical Hungarian products (Hungarikum), through the implementation of the pilot program for onions from Mako and the Hungarian spice paprika
Training for Cluster Managers (from 2014)

### **2.3.2. Action: “To prioritise the effective implementation of measures provided for under the Small Business Act for Europe.”**

By simplifying bureaucracy, for example, through so-called One-Stop Shops, it will be easier for business start-ups to obtain access to corporate finance or to cope with bankruptcy. Furthermore, it is planned to support SMEs which are active in the macro region by ensuring that there will be corporate service providers available, offering on-site support and that the cooperation between them will be improved by means of appropriate offers and by expanding the range of services offered.

- Progress in the implementation of the action:

SEECCEL is the first example of structured and strategic regional cooperation for human capital development principles 1 and 8 of the Small Business Act for Europe. Eight SEECCEL member states, four of which are Danube Strategy countries (Bosnia and Herzegovina, Croatia, Montenegro and Serbia) actively cooperate on the development of lifelong entrepreneurial learning system. SEECCEL's existing network of experts and policy makers has expanded through the strategic piloting process with the inclusion of: 56 pilot institutions (ISCED 2 – 32; ISCED 5/6 – 16; TNA – 8), 800 students and 256 teachers and school management representatives from ISCED 2 level, 320 students and 64 professors and faculty management representatives from ISCED 5/6 level and eight business associations which contacted over 7200 SMEs in the region. Moldova has also joined this network through the “Women Entrepreneurs – a job creation engine for South East Europe” project supported by the Swedish International Development Cooperation Agency. Five of the fourteen countries of the Danube Strategy already strategically cooperate. SEECCEL developed a new project fiche with the project title “Knowledge driven start-ups: a competitive drive of economies in the Danube Region” and presented the fiche at the 1<sup>st</sup> Danube Financing Dialogue held in Vienna on 22<sup>nd</sup> and 23<sup>rd</sup> of March 2012.

Other projects which support the setting of objectives in the action area are included in the following lists as well as in Annex 2.

- List of projects in the context of action

<b>Project Action 2.3.2</b>
Establishment of Western Balkan Enterprise Development and Innovation Facility (EDIF)
<b>Seeged+ Innoinfo</b> - Increasing the Competitiveness and Innovation Capacity of SME's in the South East European Region – The Continuation of the Szeged Plus Program ( <b>flagship project</b> )
<b>SEECCEL</b> – South East European Centre for Entrepreneurial Learning ( <b>flagship project</b> )

**2.3.3. Action: “To improve framework conditions for SMEs in areas where competitive infrastructure is missing.”**

This objective is to be reached by the establishment and extended growth of industries and technology parks with a common interest or which are linked in some way – as for example, in the border area between Bulgaria and Romania in Ruse. Particular attention will be paid to transport, logistic and exhibition centres. In this context attention will be focussed on rural regions and border areas where currently there is frequently either no infrastructure for SMEs or only a poorly-developed one.

- Progress in the implementation of the action:

Direct links to local administration are established together with Council of Danube Cities and Regions who has own members in relevant regions and who has additionally – as one result of implementing the strategy – established partnerships with existing networks of municipalities e.g. in Romania and Bulgaria. A dialogue among those networks and their members has started in order to exchange experiences in establishing and managing industrial parks, business incubators and similar infrastructures. Suitable measures, including training of local administration bodies, are in preparation in order to define concrete projects.

Projects and programs for fostering entrepreneurship are in preparation. Links to SG of PA 9 who is running a work group “entrepreneurship and creativity” are established.

Due to the nature of the problem, the missing competitive business infrastructure, it takes more time to involve local stakeholders into preparations of projects. Nevertheless there are projects in stage of development that are based on the specific needs of rural areas, e.g. “Integrated Mountain Areas Development in The Carpathians Region” (Romanian initiative) and a project that takes care about problems of mining

areas where new business sectors have to be established urgently. Both examples show nature of such projects and can be multiplied to other regions.

**Further projects with a strong link to the action have been set up/implemented, e.g. the project “Technology Park with R&D Rapid Prototyping Centre”.**

Preliminary talks have been conducted with the representatives of the EIB and the idea is presented to them. In principle the project has been found interesting and within the scope of priorities of the Bank. A complete feasibility study has been finalized regarding the logistics side of the project, featuring the possibilities for multimodal transport. At the moment the development of a complete cross-border strategy for territorial development of the region Bulgaria-Romania is underway, part of which is the economic development and innovations, including pilot projects for common business and training infrastructure. Project partners have been identified in Bulgaria - University of Ruse, Ruse Chamber of Commerce and Industry, Ruse Industrial Association and in Romania - Giurgiu industrial Park.

Other projects which support the setting of objectives in the action area are included in the following lists as well as in [Annex 2](#).

- List of projects in the context of the action:

<b>Project Action 2.3.3</b>
Danube Creative Cluster
Danube Energy Management Forum (DEMF) (from 2014, implementing the flagship project <b>Centres of Excellence</b> )
Danube Transport and Mobility Forum (DTMF) (from 2014, implementing the flagship project <b>Centres of Excellence</b> )
Development of a network of innovative agro-industrial clusters in Danube region (from 2014)
Development of a Basic Tool for Support – a Dynamic Transnational Revolving innovation Fund
Modular Hydrogen Power Pack - Compact Hydrogen /fuel cells facility
"Nyúl-unk a munkáért"- Pilot program for small-animal husbandry (rabbits)
Project Danube Cities and Clusters – important competitive factors (DCaC)
<b>SEECCEL</b> – South East European Centre for Entrepreneurial Learning ( <b>flagship project</b> )
<b>SIRA</b> - Smart and Innovative Rural Areas ( <b>flagship project</b> )
Technology Park with R&D Rapid Prototyping Centre

**2.4. Target: “Improvement of the vocational training, subject to participation by the private sector (a dual system of practice and theory) through pilot projects (identifying the potential institutions, as well as the partners and projects).”**

**2.4.1. Action: “To support enterprises through high performing training and qualification schemes.**

A shortage of skilled workers, in particular those not taught by technical universities and vocational schools, is a handicap – especially seen by foreign investors and it has a restrictive effect on the competitiveness of the businesses of a region.

For that reason and in addition to technical education, in a variety of projects the emphasis will be on the (dual) vocational training system as practiced e.g. in Germany and Austria (practical education in companies combined with theory in school periods). That emphasis will include the establishment of entrepreneurial learning at all levels - from elementary schools to universities and the process will start in a few regions as pilot projects. This will include cooperation with the private sector. In addition, attention will be focussed on such promotional measures as encouraging both young and female entrepreneurs, specific teacher training, etc.

- Progress in the implementation of the action:

Vocational training is not only an education policy but an employment policy, an economic policy and a social policy issue as well. Creation of work based society and development of harmonised education system is a strategic goal in the region; its basic tool is the development of harmonised education system. Challenge: The greatest obstacle of free flow of labour and thereby catching up of the region is the there is no uniform vocational training. The national training systems of individual countries are different both in terms of content and standard of training. This is also hampers regional SMEs mobility through national borders. The general goals are: spread uniform vocational education in South East Europe; professionals’ educated and trained in accordance with the needs of the labour market of the Danube Region countries and the creation of a uniform training system whose certificate all countries accept.

The flagship project “SEeDual- Introducing Dual Vocation Training System in South East Europe” was submitted into South East Europe Programme in November 2011. The decision of the Monitoring Committee of SEE is going to be made by the end of June 2012.

The flagship project “SEECCEL” actively shares its knowledge, the developed and published instruments for entrepreneurial learning (ISCED 2 and ISCED 5/6 level) and its regional cooperation modality with EU 27, European Neighbourhood and Partnership Instrument and Eastern Partnership Countries. The SEECCEL instrument serves as a reference document for the EU 27 Thematic Working Group on Entrepreneurship Education led by the European Commission's DG Education & Culture and the ISCED 2 instrument has been fully translated into Russian and published (by

European Training Foundation on the request of Ukraine). Furthermore, Bulgaria has expressed its interest to join the Danube process. These developments in cooperation have been recognized by the Knowledge Economy Network which has awarded SEECEL with the 2012 Best Practice Award.

The flagship project “SEE Management Forum 2010 – 2015” is a project initiated by IEDC-Bled School of Management from Slovenia, Association of Economists of Serbia, Croatian Association of Economists. The mission of the forum is to bring together business, government and non-government leaders from South-Eastern Europe to search for answers regarding the possible European futures and leadership challenges facing the Region. SEE Management Forum is taking place each year in one of the co-organizers countries, e.g. Slovenia (2010: Economic Future and Management Challenges), Croatia (2011: Southeast Europe: Looking Ahead), Serbia (2012: How to Improve Competitiveness of SEE: Context, Strategy, Economic Policies and the Role of Business Leaders). The organizational cost of the SEE Management Forum 2010 – 2015 has been estimated to 300.000 EUR and thus the Slovenian part of the project is estimated to 100.000 EUR for five years.

Other projects which support the setting of objectives in the action area are included in the following lists as well as in [Annex 2](#).

- List of projects in the context of the action:

<b>Project Action 2.4.1</b>
<b>SEeDual-</b> Introducing dual vocational training systems in South East Europe ( <b>flagship project</b> )
<b>SEE Management Forum 2010 -2015 (flagship project)</b>
<b>Seeged+ Innoinfo</b> - Increasing the Competitiveness and Innovation Capacity of SME's in the South East European Region – The Continuation of the Szeged Plus Program ( <b>flagship project</b> )
Training for Cluster Managers (from 2014)

## **ANNEXES**

Annex 1: Roadmaps to implement each action

Annex 2: Projects approved by the Steering Group