

EU STRATEGY FOR THE DANUBE REGION

IMPLEMENTATION REPORT OF EUSDR PRIORITY AREA 7

"To develop the Knowledge Society (research, education and ICT)"

Reported period: from 07/2016 to 12/2016

REVISED VERSION

of 2 May 2017





TABLE OF CONTENTS

1	EXE	CUTIVI	E SUMMARY	5
2	PRO	GRESS	OF THE PA	6
	2.1	Progres	ss on policy level	6
		2.1.1	Policy areas at focus	6
		2.1.2	Main policy achievements	6
		2.1.3	Policy lessons learned	8
		2.1.4	Future policy development	8
	2.2	Progres	ss on PA's targets	10
	2.3	Progre	ss on PA's actions	12
	2.4	Progres	ss on milestones	13
	2.5	Progres	ss on activities	15
	2.6	EUSD	R Strategic Projects	16
3	FUN	DING		17
	3.1	Main a	chievements in terms of funding	17
	3.2	Lesson	s learned	18
	3.3	The fut	ture	19
4	GOV	ERNAN	NCE	20
	4.1	Organi	sation and functioning of PA	20
	4.2	Coordi	nation and cooperation activities	20
	4.3	Activit	ies for involvement of stakeholders and civil society	22
	4.4	Publici	ty and communication activities	22
	4.5	Lesson	s learned	23
	4.6	The fut	ture	23
ANI		: ROAD DEFIN	OMAPS TO IMPLEMENT EACH PA ACTIONERROR! B NED.	OOKMARK

ANNEX II: PA'S WORKPLAN FOR 1 YEARERROR! BOOKMARK NOT DEFINED.

TABLES

Table 1: Progress on targets during the reporting period	10
Table 2: Progress on actions during the reporting period	12
Table 3: Progress on milestones during the reporting period	13
Table 4 Activities undertaken to progress on PA implementation	15
Table 5: Projects identified and proposed by PA (PACs + SG) as I	EUSDR strategic project (SP)16
Table 6: Proposed EUSDR strategic projects, which were approve	d for funding16
Table 7: Attendance of SG meetings	20
Table 8: Roadmap to implement action 1	Error! Bookmark not defined.
Table 9: Roadmap to implement action 2	Error! Bookmark not defined.
Table 10: Roadmap to implement action 3	Error! Bookmark not defined.
Table 11: Roadmap to implement action 4	Error! Bookmark not defined.
Table 12: Roadmap to implement action 5	Error! Bookmark not defined.
Table 13: Roadmap to implement action 6	Error! Bookmark not defined.
Table 14: Roadmap to implement action 7	Error! Bookmark not defined.
Table 15: Updated Targets – Actions – Milestones at the XII. Belgrade)	
Table 16: PA's workplan for 1 year	Error! Bookmark not defined.

LIST OF ABBREVIATIONS

A	ACTION
AT	AUSTRIA
BA	BOSNIA AND HERCEGOVINA
BG	BULGARIA
BMBF	FEDERAL MINISTRY OF EDUCATION AND RESEARCH
CZ	CZECH REPUBLIC
DE	GERMANY
DFCN	DANUBE FUNDING COORDINATION NETWORK
DR	DANUBE REGION
DRRIF	DANUBE REGION RESEARCH AND INNOVATION FUND
DSP	DANUBE STRATEGY POINT
DTP	DANUBE TRANSNATIONAL PROGRAMME
EU	EUROPEAN UNION
EUSDR	EU STRATEGY FOR THE DANUBE REGION
FP	FRAMEWORK PROGRAMME
HR	CROATIA
HU	HUNGARY
ICT	INFORMATION AND COMMUNICATIONS TECHNOLOGIES
M	MILESTONE
MD	MOLDOVA
ME	MONTENEGRO
PA	PRIORITY AREA
PA7	PRIORITY AREA 7
PAC	PRIORITY AREA COORDINATOR
R&D&I	RESEARCH, DEVELOPMENT AND INNOVATION
RIS3	RESEARCH AND INNOVATION STRATEGIES FOR SMART SPECIALISATION
RO	ROMANIA
RS	REPUBLIC OF SERBIA, SERBIA
SG	STEERING GROUP
SI	SLOVENIA
SK	SLOVAK REPUBLIC, SLOVAKIA
STI	SCIENCE, TECHNOLOGY AND INNOVATION
UA	UKRAINE
WG	WORKING GROUP

1 EXECUTIVE SUMMARY

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

Priority Area 7 (PA7) " To develop the Knowledge Society (research, education and ICT)" — as a part of the European Union Strategy for the Danube Region (EUSDR) Pillar C — Building prosperity **continued in its efforts focused on steering a number of stakeholders in higher education, research and ICT in the Danube Region (DR) towards common EUSDR objectives and specific PA7 targets.**

The PA7 of the EUSDR belongs to the PAs with a horizontal character; higher education, research and innovation are not only highly relevant issues per se, but they also form an integral and essential part of other priorities (from energy, water and environment, to mobility, culture and security).

Therefore, the most intensive work of PA7 coordinators and the Steering Group (SG) remained focused on dissemination, networking and creating of a framework enhancing motivation and commitment of all relevant stakeholders to the EUSDR.

PA7 activities were focused on actions i.e. to improve the performance and quality of education and training systems, to foster cooperation between key stakeholders of labour market, education and research policies, to foster creativity and entrepreneurship, to support lifelong learning and learning mobility, to promote social cohesion, active citizenship and to empower actors on all levels in the DR, to improve cross-sector policy coordination, to fight poverty and social exclusion of marginalised communities (especially Roma and immigrants) and to promote gender equality.

The realization of stakeholder conferences and several thematic events as well as SG group meetings and newly established Danube Funding Coordination Network (DFCN) workshops have proven effective in order to boost co-operation and collaboration of relevant stakeholders from countries in the DR. The outcomes of the events (e.g. reports, surveys, development of project ideas) contributed to the development and to the progress of PA7 activities.

To the most important outcomes and successes in the reported period belong activities connected with the new funding possibilities for the EUSDR Research & Innovation, specifically:

- 1) Realization of the pilot multilateral call for funding scientific and technological cooperation projects in the DR (open from 15 July 2016 to 30 September 2016) with participation of AT, CZ, RS and SK partners.
- 2) Co-organization of the 5th Annual Forum of the EUSDR (the Meeting of Ministers responsible for Science and Research in the DR and Workshop 1: Knowledge society Common Danube Vision to Transfer Knowledge into Praxis (with its political and practical parts).
- 3) On-going re-structuring of PA7 aimed at overall improvement (strategy, coordination, communication, visibility, synergies, outcomes, ...).

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?

The main PA7 activities remained focused on a wide dissemination and policy level advocacy for the EUSDR, PA7 targets and obtaining support for the most relevant PA7 actions; i.e. supporting common research and innovation (R&I) projects (recognition of the strategic projects); supporting common funding activities; peer reviewing of Research and Innovation Smart Specialization Strategies (RIS3); supporting cooperation among education and research institutions and industry.

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

These chosen policy areas led to the fulfilment of the PA7 objectives and milestones resulting from EUSDR Action Plan and PA7 Roadmap which are regularly updated and agreed by PA7 SG taking into account the outcomes of the Danube Region Research and Innovation Fund (DRRIF) feasibility study and present results of the Danube INCO.NET project.

The EUSDR and PA7 are getting more recognition in the local policies, internationalization strategies of university and research institutes, in the agenda of respective ministries. Thank to the newly established DFCN more emphasis is put on cooperation and joint partnerships of regional institutions. Together with new funding possibilities (in the last year BMBF call, EUREKA E!DI call, possible COST or JRC cooperation, Multilateral call) this steering of policy orientation towards DR brings more initiatives and projects with stronger regional focus.

Finally, this framework approach of coordinated activities at all levels of policy making may well provide synergies of relevant stakeholders and their actions strongly in favour of PA7 targets. Having in mind that reaching PA7 targets is possible only through coordinated actions of numerous regional stakeholders in education, research and ICT.

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?

Visibility:

The trend of interest for EUSDR, policy level recognition and visibility of the PA7 targets and actions among stakeholders keeps rising (with the involvement of the public, academic-intellectual and private sectors). It ensures that EUSDR and PA7 are being discussed among diverse audience. The attention is drawn to the PA7 actions, both those set in the Action Plan and the ones being dealt with under the flagship and other relevant PA7 projects. In the new academic year we continued our cooperation with the University of Economics in Bratislava (the pilot subject Research and Innovation Policy of the EU with particular focus on macroregional strategy has been successfully implemented with very positive feedback from the students).

Enhancing cooperation among DR countries:

The EUSDR has been established as a mechanism for the better coordination of activities in the DR. It focuses at a more effective spending of existing resources but in principle no extra funds have been made available. Therefore the main objectives in the reported period were building funding network and cooperation with the existing European grant schemes as well as synchronising cooperation among education and research institutions and industry in the DR in order to foster multilateral collaboration in research, education and ICT.

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?

Concrete achievements:

- New DTP_PAC1_PA7 project focused on restructuring and overall improvement within PA7

In December 2016 the PAC7 teams received an Award letter on behalf of the Managing Authority informing about the approval of application with conditions for co-financing by the Danube Transnational Programme. The main objective of the newly approve project is "to ensure the implementation of a stable and effective governance system for PA7" with the following three main specific objectives:

- to support the SG in implementing EUSDR;
- to support communication and growing visibility of PA7 and dissemination of PA's achievement; and
- to enhance coordination between PA's actors and to encourage involvement of key stakeholders in key PA7 activities.

The project includes a set of 3 work packages and various activities, which are aiming at supporting PA7 in implementing the EUSDR and in delivering results under the EUSDR Targets and Actions. The selected project specific objectives directly address some of the key needs, previously identified by PA7.

Providing financing for this project shall not only support the realization of the envisaged outputs and the achievement of the desired project result, but will also contribute to achieving change on a more strategic scale for PA7, with regards to some topics for future PA7 strategic focus, such as:

- Supporting common R&I projects taking into account countries smart specialisation;
- Enhancing Danube Coordination Funding Network (DFCN) aiming at the better coordination of available financial resources in the Danube region; and
- Strengthening cooperation among education and research institutions and industry in the DR.

- Joint Statement of Ministers responsible for Research and Innovation of the participating countries of the EUSDR

Ministers responsible for Research and Innovation of the participating countries of EUSDRmet on 3 November 2016, at the occasion of the 5th Annual Forum of the EUSDR taking place in Bratislava, and expressed their commitment to continue providing political support to the Research and Innovation activities carried out at national and regional level, with a specific focus on the macro-regional and transnational level. They agreed to reinforce the alignment of funding from all relevant sources, to develop and support existing funding coordination mechanisms, enhance international cooperation, promote investment in human capital, minimize brain drain, strive to bridge the innovation divide and promote smart specialisation strategies.

- Multilateral Call

The pilot Multilateral Call on scientific and technological cooperation for 2017-2018 was open from 15 July to 30 September 2016. The overall aim of this call was to support project cooperation among the following participating DR countries: Austria, Czech Republic, Republic of Serbia and Slovak Republic. The Call was open to all scientific disciplines and thematic areas, including social sciences as well as humanities and has the following aims: contribution to scientific advancement in the above mentioned countries by funding researchers' mobility in the frame of joint research projects; contribution to research capacity development in the region; supporting the advancement of cross-border research cooperation; and provision of opportunities for young/female researchers and developing their scientific careers. The Call was met with a significant interest from the scientific community – more than 50 project proposals were received in all participating countries and 19 projects were selected to be funded in the given project period between 2017-2018.

- DFCN - beginning

The aim of the first two workshops was to lay the basis for a flexible, but sustainable coordination structure supporting the cooperation of stakeholders interested in funding and performing joint S&T activities in the

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?

DR. (More information about DFCN can be found in part 3 Funding of the Report).

- Cooperation with Joint Research Center (JRC)

Close cooperation with the EC Joint Research Center speeded up activities regarding Smart Specialization in the DR, as well as Danube Innovation Partnership, and Reference Data and Service Infrastructure for the DR, all three horizontal activities of the JRC in the DR They DR, namely water, land and soils, air, and bioenergy.

JRC has targeted three countries in 2016 which are part of the Danube Region and still do not have RIS3 (Serbia, Moldova, Ukraine) and offered support in the process of RIS3 development. On the level of the Republic of Serbia, it is established inter-ministerial working group which consists of all stakeholders relevant for RIS3. The first meeting with JRC representative was organised in Belgrade on October 11th 2016. In January 2017 will be organised the first workshop/meeting between JRC and three targeted countries in Seville, Spain.

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)?

The representation of partner countries in the PA7 SG and active participation of national representatives in the work of SG and its Working Groups (WG) has not recorded much of a progress in the last year.

Not all EUSDR member countries participate actively in the SG, attend meetings, or even take active part in the e-mail correspondence between meetings. Responsibility of each partner country would bring more power to the SG and enable taking decisions that are obligatory for participating countries, instead of its current almost pure consultancy capacity.

Although some countries still lack active participation in the work of the SG (e.g. Bulgaria, Bosnia and Herzegovina, Ukraine), their stakeholders manage to find the way to take active part in the PA7 projects, initiatives, RIS3 platform and/or other activities. As a result of new funding possibilities with clear DR focus this trend should continue and improve in the future.

The activities of the flagship projects and other supporting projects are important for the implementation of activities on the ground. Successor projects to those ending or their prolongation (e.g. Danube-INCO.NET, INT-VET, DREAM) need to be planned and support of all actors is needed (after the funding of the Coordination and Support Action in FP7, no such action is foreseen in Horizon 2020; an initiative under the Widening Participation and Spreading Excellence work programme for example could be envisaged).

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)?

For successful PA7 coordination in the future a better representation of EUSDR countries in the SG and common recognition of the PA7 targets at national level are still considered a challenge.

Regarding the already agreed plans stated in the DTP_PAC1_PA7 project the PA7 will put most efforts on:

- Supporting to process of RIS3 development in Danube Region countries;
- Enhancing Danube Coordination Funding Network (DFCN) aiming at the better coordination of available financial resources in the Danube region; and
- Strengthening cooperation among education and research institutions and industry in the DR.

Furthermore (and more concretely) both PAC7 teams will keep focused on:

- Smooth technical management of PAC activities and SG coordination;
- Providing a concrete outline of activities of the different WGs supporting the new targets set;
- Better recognition and awareness of PA7 targets among relevant audiences and stakeholders, including targeted presentations of scientific, research and innovation activities in the DR on webpages, media, invited contributions in journals and at conferences, workshops, seminars, lectures, etc.;
- Advancing scientific co-operation and networking in the DR towards a potential COST Targeted Network;
- Strengthening collaboration with the JRC in providing scientific support to EUSDR
- Providing promotion and support for new project ideas and proposals highly relevant for the DR
- Strengthening horizontal links with other PAs, regular communication and exchange of news with other Pas; preparation and implementation of common projects
- Scaling up funding mechanisms and providing policy level support to strategic projects applying for research and mobility funds under EU and regional grant schemes (Horizon 2020, Erasmus+, ETC programme Danube 2014 2020, etc.);
- Interlinking with other European macro-regional strategies and platforms that focus on research, innovation, education and ICT (e.g. Adriatic-Ionian, Balkan (Steering Platform on Research for the Western Balkan countries, WISE), Black See (BSEC), Baltic, etc.)
- Providing promotion and support for new project ideas and proposals highly relevant for the Danube Region (Seed Money Facility Themes strongly focused on global education, cooperation of higher education institutions with government and industry, and research and innovation support in the region)

2.2 PROGRESS ON PA'S TARGETS

Table 1: Progress on targets during the reporting period

PA Targets	Prog	gress during the	reporting peri	od			
(number and wording of the target)	Completed Satisfactory Delayed progress Other		Other	Clarifications			
(a)	<i>(b)</i>	(c)	(d)	(e)	(f)		
1. To increase the effectiveness of investment in R&I through establishment of a funding coordination network aiming to initiate a minimum of 2 dedicated EUSDR activities each year (e.g. joint calls; joint strategic project proposals (within a multilateral framework)).		\boxtimes			Danube Funding and Coordination Network has been established as a platform for the better coordination of activities in the DR. The main aim is to foster multilateral collaboration in research, education and ICT. Within DFCN some activities aiming at better use of public sources and effectiveness of investment was presented (e.g. joint programming). The multilateral call		
2. To increase the number of EPO and PCT patent applications filed from the DR by 20% by 2020.		\boxtimes			The actions mentioned in Point 1 and 3 should lead to increasing number of patents; however this is measurable only in longer term.		
3. To enhance regional research and education co-operation to reach 20% of academic mobility within the region by 2020.					The multilateral call for mobility between 4 Danube countries was launched. The call was very successful (19 projects will be funded) l and should be repeated in 2018. PAC will motivate also other countries to joint it. This is a very effective way to increase mobility yin the region.		
4. To increase the annual output of copublications in the region by 15 % by 2020.		\boxtimes			The above mentioned actions should lead to increasing number of co-publications, however this is measurable only in longer term.		
5. To develop RIS3 in all Danube countries (or their regions) by 2020.					PACs7 and their teams participated in the event organised by the Slovak Embassy in Belgrade. The aim of the ction was also to present Slovak experience with developing and implementing RIS 3		

Question 7: Based on the information provided in **Error! Reference source not found.**, 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.

PA7 targets resulting from the Strategy Europe 2020 are feasible only in a long term perspective and PA7 with its activities can only contribute to them. Activities and initiatives of the PA7 have satisfactory impact on achieving these targets but there are many other stakeholders/projects/policy decisions that can affect it.

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

The EU Strategy for the DR has been established as a mechanism for better coordination of activities in the DR. It aims at a more effective spending of existing resources but in principle no extra funds have been made available. Therefore, in order to complete some of these targets, it would be necessary to have more financial and human resources engaged. Since the PA7 activities are limited in many ways, PA7 targets should be considered as the figures to which we are striving for.

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

In October 2015 PA7 Coordinators started discussion within the PA7 SG about the necessity of updating PA7 targets.

During the PAC meetings of 21 March 2015 and 8 May 2015, the issue of relevance of correct targets was raised in relation to the selection criteria of the DTP, referring specifically to the EUSDR targets in the assessment of project proposals, with a view to give extra points to proposals which implement the EUSDR.

Following recommendations of the European Commission DG Regio and the Danube Strategy Point (DSP), PACs and the SG have proposed in December 2015 the following "new" PA7 targets:

- 1) To increase the effectiveness of investment in R&I through establishment of a funding coordination network aiming to initiate a minimum of 2 dedicated EUSDR activities each year (e.g. joint calls; joint strategic project proposals (within a multilateral framework)).
- 2) To increase the number of EPO and PCT patent applications filed from the DR by 20% by 2020
- 3) To enhance regional research and education co-operation to reach 20% of academic mobility within the region by 2020.
- 4) To increase the annual output of co-publications in the region by 15 % by 2020
- 5) To develop RIS3 in all Danube countries (or their regions) by 2020.

These targets were endorsed by the EUSDR National Coordinators on May 23, 2016 and published on the EUSDR web site, however PAC7 together with SG members returned to this topic again at the 12th SG meeting held on 25 October, 2016 in Belgrade. As SG did not have previously enough time to discuss the new set of PA7 targets (and related actions and milestones), the PAC team asked to send their inputs – comments – opinions per rollam by the

end of August 2016. By this date however there were only 2 suggestions received (from Austria and from Germany – BW).

To conclude this in the most effective way for all PA7 and EUSDR stakeholders, the PAC teams together with DSP agreed on organization of a specific workshop/training aimed at strategy and planning, where all PA7 targets will be once again discussed with external experts in order to improve the overall work of PA7 "Knowledge Society", which should be clearly understood as a contribution towards the new targets.

This workshop is planned for late February or early March 2017.

2.3 PROGRESS ON PA'S ACTIONS

Table 2: Progress on actions during the reporting period

PA Targets (number)	AI "To cooperate in implementing the flagship initiative "Innovation Union" of the Europe 2020 Strategy" in the Danube region countries"	A2 "To coordinate better national, regional and EU funds to stimulate excellence in research and development, in research areas specific for the Danube region"	A3 "To develop and implement strategies to improve the provision and uptake of Information and Communication Technologies in the Danube Region"	A4 "To draw up internet strategies"	A5 "To strengthen the capacities of research infrastructure"	A6 "To stimulate the emergence of innovative ideas for products and services and their wide validation in the field of the Information Society, using the concept of Living Labs"	A7 "To strengthen cooperation among universities and research facilities and to upgrade research and education outcomes by focusing on unique selling points"
(a)	(b)	(c)	(d)	(e)	<i>(f)</i>	<i>(g)</i>	(h)
1.	ASP	ASP					
2.			ASP	ASP			
3.					ASP	ASP	
4.							ASP
5.							ASP

<u>Legend:</u>

ASP	actions, whose implementation is satisfactory progressing (according to what was initially planned in the Roadmap);
APD	actions, whose implementation is progressing with delays (comparing to what was initially planned in the Roadmap);
ACcp	actions completed in current reporting period;
ACpp	actions completed in previous reporting period(s);

Question 10: Based on the information provided in **Error! Reference source not found.**, 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 progress in implementing PA7 actions is very good, but having in mind formulation of PA7 actions it is not possible to conclude that certain action is completed. This is because the "cooperation", "coordination", "development" and "strengthening" are continuous processes.

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

Financial resources, higher engagement of certain SG members and including more stakeholders.

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

Both PAC7 teams have lately realized that there is a specific need arisen with adoption of the new PA7 targets in 2016. The targets need to be well understood (not only among PAC7 and SG members, but also by other PACs, EC, scientific community or general public), clearly communicated, straightforward, measurable and attainable. Therefore after a constructive discussion with the DSP members, we agreed on organization of a workshop with external experts leading towards new set of targets, which will comply with the above mentioned characteristics.

2.4 PROGRESS ON MILESTONES

Table 3: Progress on milestones during the reporting period

PA		Progress on milestones during the reporting period															
Actions (numbers)	M1	M2	М3	M4	M5	М6	<i>M7</i>	M8	M9	M10	M11	M12	M13	M14	M15	M16	M17
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	<i>(i)</i>	<i>(j)</i>	(k)	(l)	(m)	(n)	(o)	(p)	(r)	(s)
A1	MSP	МСрр	МСрр	MSP	MSP	MSP											
A2	МСрр	МСрр	МСрр	МСрр	MSP	МСср											
A3	МСрр																
A4	Not appl	ot applicable															

PA		Progress on milestones during the reporting period															
Actions (numbers)	M1	M2	М3	M4	M5	М6	M7	M 8	M9	M10	M11	M12	M13	M14	M15	M16	M17
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	<i>(i)</i>	(j)	(k)	(l)	(m)	(n)	(0)	<i>(p)</i>	(r)	(s)
A5	MSP	MSP															
A6	Not appl	Not applicable															
A7	MSP	MSP	MSP	MSP													

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);
МСср	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 **Error! Reference source not found.**, 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

During the current reporting period the main activities of the PA7 (thanks to the implementation of projects supporting technical management of all activities and processes) linked to PA7 main targets, actions and thus milestones leading to their fulfilment, were the following:

- coordination and effective PA7 governance strengthening policy-level representation in the SG and decision-making (M1 + M2)
- PA7 as EUSDR horizontal priority highlighting research, education and ICT in other PAs (M3 M10; M17)
- scaling up funding mechanisms and opening new funding possibilities for R&I (M12 M 15)
- support relevant R&I projects and large-scale collaborations, linking research infrastructure and centres of excellence in the DR (M16)

PA7 set of milestones were identified on the basis of approved targets and are similarly feasible only in a long run. As stated above in Table 3 PA7 with its activities contributed or progressively contributes to their fulfilment.

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

There is also a need of revising the milestones in the upcoming period so that they are in accordance with the updated PA7 targets and actions. In order to ensure realization of the identified milestones, responsibilities should be shared by all relevant actors. Only close cooperation of all responsible for the implementation of targets, actions and related milestones can bring visible results.

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)
AI	 New web site is being developed (www.danubeknowledgesociety.eu); both PAC7 establish within their teams a function of communication manager, who will be regularly updating and contributing to the visibility and publicity of PA7 Participation at the Seminar organized by DTP on September 7, 2016 in Budapest, Organization of Infoday supporting the open Multilateral Call to enhance scientific cooperation in the DR, September 7, 2016 in Bratislava Organisation and facilitation of 12th PA7 SG meeting, October 25, 2016 in Belgrade Participation at the workshop Measuring the added value of the macroregional strategies, 13-14 October, 2016 in Brussels Organization and participation at the 5th Annual Forum of the EUSDR, November 3-4, 2016 in Bratislava Meeting of both PAC7 team with the DSP representatives in Brussels in October 2016, in regards with submission of the common project proposal within the DTP Call focused on PACs Participation at the UNICA conference and presenting the objectives and successes of the Slovak Presidency in the Council of the EU related to research, development and innovation, November 28, 2016 in Vienna Participation at the START final event to support the horizontal cooperation among the PAs, December 13, 2016 in Vienna
A2	 Ongoing negotiation process of the idea regarding a COST targeted network for the DR in coordination with Danube-INCO.NET project Co-organization and participation of both PAC7 team members at the COST ministerial conference held on September 25, 2016 in Bratislava Successful implementation of the first pilot Multilateral Call on scientific and technological cooperation for 2017-2018 2nd DFCN workshop organization and participation in Bratislava back to back to the 5th Annual forum (in cooperation with the Danube-INCO.NET project), November 2, 2016 in Bratislava
A3+A4	• Co-organization and Participation on the ICT Proposers' Day 2016, held in Bratislava on 26 and 27 September, 2016 - networking event promoting European ICT Research & Innovation and focusing on the Horizon 2020 Work Programme for 2016-17
A5+A6	 International conference on Re-Industrialisation of the EU 2016 was organised by the Slovak Presidency of the Council of the EU between October 26-28, 2016 in Bratislava to show that excellent science, research and innovation are essential for a sustainable development of the European economy International conference "Spreading Excellence and Crossing the Innovation Divide" was organised by the Slovak Presidency of the Council of the EU on November 23, 2016 in Brussels
A7	 New leader of WG on Higher education (prof. Popovic) attended the 12th SG meeting held in Belgrade and introduced the priorities of the WG1 Several meetings at the University of Belgrade and at the University of Economics in Bratislava have been organized, possibilities for future collaborations have been streamlined

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)	(a) (b)		(d)	<i>(e)</i>

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.

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

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

The specific position of PA7 as horizontal priority seeks a wide synergetic outcome of many activities/projects and involved stakeholders to provide progress in regard to PA7 targets. During the reporting period some important steps were made considering DRRIF feasibility and Coordination of National Funds within the DR working group, COST targeted network for the DR, activities related to the coordination of funding in the frame of the project Danube-INCO.NET and multilateral calls in the DR.

On May 30, 2016 the **Danube Funding Coordination Network (DFCN)** was established on the basis of the work and achievements of the WG on the coordination of funding mechanisms in the DR (DRIFF WG), outcomes and recommendations of the feasibility study on DR Research and Innovation Fund and on activities of the FP7 funded Danube-INCO.NET project. The primary objective of the DFCN is to coordinate and synchronise national, bilateral and regional efforts in the DR in order to foster multilateral collaboration in Research and Innovation. This should lead to the implementation of concrete joint funding actions for STI activities.

Secondly, the aim of the network is to stimulate cooperation possibilities with running and forthcoming initiatives. To this end, existing and potential new instruments are used and/or consortia are enlarged by integrating partners from the Danube countries. To achieve these objectives, the DFCN constitutes a multinational network for STI stakeholders from the Danube countries to regularly exchange information on and discuss about ongoing and planned initiatives. The multilateral nature of the network is of addedvalue for the transnational cooperation in the DR and provides its members with opportunities for enhanced collaboration and with information on running programmes at national, regional or European level.

The text of **Programme for Funding Multilateral Scientific and Technological Cooperation Projects in the DR** was successfully approved by four participating countries (AT, CZ, RS, SK). The purpose behind this Programme was opening up the current bilateral agreements towards multilateral cooperation in the DR for better coordination and joint strategic use of financial resources. The Call will be open to all scientific disciplines and thematic areas, including social sciences as well as humanities. The projects will be supported for a period of max. two years from January 2017 until December 2018.

DTP-Interreg – grants on technical assistance for PACs

The question of funding of the cooperation structure of the Priority Area remains a challenge when it comes to the coordination of the Strategy. The Technical Assistance (TA) which was granted by the Commission to the PACs starting since 2012 has proven to be very supportive regarding funding of the coordination, networking and project development activities.

The technical assistance supports i.e. the facilitation of SG Meetings, WG Meetings and Stakeholder Conferences, and in particular supports the participation of non-EU member states at these events through covering travel and accommodation costs.

Danube-INCO.NET

Under the umbrella of Danube-INCO.NET project, which gives solid structure and speeds up some of the activities planned in the PA7, much has been done in regard to developing mechanisms for recognition and labelling of the most relevant project proposals for the EUSDR and PAs. Also the project strongly supported policy dialogue, establishment of Danube Technology Transfer Centres and coordination of funding mechanisms.

Flagship projects

PA 7 - Flagship projects									
Title of project	Status	Fina	ncing	Total Budget	Countries involved				
		Funding secured	Fund envisaged						
DREAM – Danube River REsearch And Management	implementation	various sources	various	69.600.000 EUR	AT, BG, CR, CZ, DE, HU, RO, SRB, SK, SL, UE				
HINO - Health Impact of Nanotechnology	implementation	various sources	various	13.765.000 EUR	AT, BG, HR, DE, HU, IT, PL, RO, RS, SK, SI				
Danube: Future - A sustainable future for the Danube River Basin as a challenge for the interdisciplinary humanities	first phase (2013 - 2015) completed	not specified for next phases	not specified	13.175.000 EUR (2013- 2020)	AT, SR, SI, IT				
DANUBIUS - Danube International Centre for Advanced Studies for River-Delta-Sea Systems	phase 1 is under implementation	no	various	200.000.000 EUR (2014 - 2020)	RO (Lead partner), At, RO, HU, SR, DE, MO, UK, SK, IT, ES, IE, GR, FR				
National Authorities for Apprenticeship: Introduction of the Elements Dual VET in the Slovak Republic (INT VET)	implementation (pilot project: 10/2014 - 09/2016)	Yes	Erasmus +	312.717 EUR	SK, DE (BW), AT				
DO-IT - Danube Open Innovative Technologies	implementation	Yes	SEE programme: SEE Technology	2.000.000 EUR	SI, DE (BW), AT, IT, SR, HR, HU, SK, RO				

Flagship projects running under the PA7 are at the different phases of their implementation covered by various funding sources serve as a good practice to apply to large scale projects dealing with main PA7 targets.

Remark:

PA7 Steering Group and the PACs are still in the phase of choosing the approach in EUSDR strategic project labelling. In the future period, there is a need to distinguish labelling of PA7 flagship projects and EUSDR strategic projects and the responsibility of the actors in this process.

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?

PACs, WGs, SG members and most relevant stakeholders remained active in seeking for funding possibilities for PA7 actions, and the improvement of the projects recognition, support and selection. PACs, WGs and SG members have actively participated in submitting project proposals for Danube Transnational Programme. Additionally, the PA7 flagship projects which are in the implementation phase and received funding through diverse funding schemes, serve as a good practice to apply to large scale projects dealing with main PA7 targets.

Within the area of basic research the potential for setting-up a specific **COST Targeted Network Proposal** "Strategic scientific networking in areas of high societal relevance within the DR" has been discussed and some preparatory actions have taken place (expert workshop in Novi Sad). However, a decision about the

feasibility and necessity of such an activity has to be taken by the COST association.

AT, CZ, RS and SK agreed on opening up their bilateral agreements on scientific cooperation and prepared multilateral call for funding joint STI projects, which can serve as one of the positive examples of effective multilateral cooperation in the DR in the future.

Still the issue of **EUSDR** strategic project labelling remains ambiguous for the SG members; therefore it still needs to be elaborated upon.

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 PA7 recognizes vast possibilities to funding strong Danube consortiums under EU funding schemes like Horizon 2020 and Erasmus+, together with the reinforcement of mobility programmes like CEEPUS and programmes which came as a result of coordinated actions like the Ulm Follow-up Working Group.

The EUSDR is implemented, among others, through projects and processes. EUSDR strategic projects identification and implementation will contribute to stronger and clearer strategic focus of the activities and efforts undertaken within the EUSDR PAs, as well as flesh out the ambition and the future direction in certain policy area. As such the strategic projects could demonstrate the progress achieved in implementing the EUSDR and could strengthen and improve communication on the EUSDR strategic focus. These projects could also serve as pilot examples for desired future changes (e.g. possible strategic support for embedding them into funding programs/sources).

While there were good examples under FP7 to support EUSDR projects, Horizon 2020 so far has not yet taken up specific priority topics for the region or relevant coordination and support needs. It would be desirable to change this in the Work Programmes 2018/19/20. Furthermore, the next Framework Programme ("FP9") should also allow for the follow-up of research and innovation priority actions of macro-regional strategies.

Beyond that, it still remains essential to develop a sustainable, simple and reliable funding mechanism that facilitates and supports the activities of the PACs.

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?

The coordination of the PA7 is continually led jointly by Slovakia and Serbia.

On behalf of Slovakia Dr Štefan Chudoba, Advisor to Minister, Ministry of Education, Science, Research and Sport of the Slovak Republic is PAC since autumn 2012.

On behalf of Serbia Prof Dr Viktor Nedović, Assistant Minister, Ministry of Education, Science and Technological Development, Republic of Serbia took over the PAC role in February 2015.

The PAC support teams in Serbia and Slovakia support joint governance, coordination and communication with SG members and other stakeholders of the PA7.

Their work maintained defined tasks to go smoothly, both on internal level among PACs and their teams, as well as in the well-structured organization and hosting of the meetings.

To maintain good coordination with main stakeholders and strengthen links among SG members, both PACs have undertaken a number of activities. As seen from various parts of this report PAC teams, some of the most active SG members and support teams were very active on promotion of PA7 targets and actions fulfilment.

Question 20: Please provide in Table 7 the requested information on attendance (+/-) of Danube countries at SG meetings held during the reporting period.

Table 7:	Attendance	of SG	meetings
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SG meeting	AT	BA	BG	CZ	DE (BA/BW)	HR	HU	MD	ME	RO	RS	SI	SK	UA
12 th , Belgrade 25 October 2016	+	-	-	-	-	+	+	-	1	+	+	+	+	-

4.2 COORDINATION AND COOPERATION ACTIVITIES

Question 21: Based on what has been reported in Section Error! Reference source not found., 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).

The PAC support teams in Serbia and Slovakia support joint governance, coordination and communication with SG members and other stakeholders of the PA7. Their work maintained defined tasks to go smoothly, both on internal level among PACs and their teams, as well as in the well-structured organization and hosting of the meetings.

Establishing links with other PAs was mainly done through organisation of joint meetings, joint activities and project proposals. In December 2015 a joint meeting with PA8 SG and in May 2016 a joint meeting with PA4 SG was organised.

Having in mind that PA7 is a horizontal priority of the EUSDR, the networking and involvement of relevant stakeholders, prominent experts and organizations, links with other PAs, education and research

institutions, professionals, organizations are essential to reach progress regarding defined PA7 targets.

These activities aim to encourage networking and joint projects towards development of Knowledge Society in the DR, with the special reference to new funding opportunities within the Horizon 2020, Erasmus+, new Danube Transnational Programme, and other eligible sources.

Overall involvement, motivation and real contribution of SG members to the work done varied among the countries. Again it was obvious that countries were not equally committed to the EUSDR PA7. There are still states which do lack interest in activities or neglect their obligation to have proper representation in each SG of the EUSDR. Also, not equal policy-level representation among members of the SG prevents some major and for the partner states obligatory decisions to be taken. This could lead the way to SG transformation from decision making to consultancy/hearing body without real power in its hands. In these circumstances the new approach to EUSDR governance should be considered.

On the other hand there are partner states which contribute much to speeding up the activities and process within the Danube strategy. Among the most active in the reported period was again AT, together with SI, HU, DE (Baden-Württemberg and Bavaria and federal level) and CZ, and coordinating countries of RS and SK.

The involvement and support provided by the DG Regio, especially Mr Marco Onida and Ms Ann-Jasmin Krabatsch was highly appreciated and very much relevant to PACs work.

On the reporting issue, financial reports and interim payment the assistance of the DSP team was of the utmost importance.

Question 22: Based on what has been reported in Section Error! Reference source not found., 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).

Regarding the coordination and cooperation with the EU institutions and other relevant institutions it can be mentioned that one of PA7 flagship projects was submitted within the EU Erasmus+ Programme – Call for proposals EACEA 13/2014 "National Authorities for Apprenticeship" and it was recommended for cofinancing until 12/2016 (with an Amendment to prolong the existing project until 03/2017).

Close collaboration with the EC JRC speeded up activities regarding Smart Specialization in the DR, as well as Danube Innovation Partnership, and Reference Data and Service Infrastructure for the DR, all three horizontal activities of the JRC in the DR.

Collaboration with Danube-INCO.NET project and its partners on various policy and communication activities. The project is funded directly by DG Research and Innovation, DG JRC is one if the partners in the project (through IPTS) and it reaches out to many stakeholders through its bi-weekly newsletter which is also received by members of the EP, of several DGs of the European Commission as well as national stakeholders (overall more than 13.000 recipients).

Cooperation possibilities of the newly established DFCN with JPIs (Joint Programming Initiatives, i.e. JPI Urban Europe, JPI MY, BL) as discussed during the joint Workshop with Danube-INCO.NET in May 2016 in Berlin.

Cooperation with the University of Economics in Bratislava in order to teach students of the Faculty of National Economy about the EUSDR and other macroregional strategies.

Question 23: Based on what has been reported in Section Error! Reference source not found., 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).

To maintain good coordination with main stakeholders and strengthen links among SG members, both PACs have undertaken number of activities. Some of the most important dissemination and policy level activities are listed in the forthcoming section of this Report. PACs, some of the most active SG members

and support teams were very active on promotion of PA7 targets and actions.

Having in mind that PA7 is a horizontal priority of the EUSDR, the networking and involvement of relevant stakeholders, prominent experts and organizations, links with other PAs, education and research institutions, professionals, organizations are essential to reach progress regarding the defined PA7 targets.

Although countries state in their documents the intention of using and implementing the ESIF for supporting the targets of the EUSDR, until now there were no significant achievements obtained in this aspect.

Cooperation with COST Association is still ongoing.

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).

A workshop on setting up a DFCN took place on May 30 and 31, 2016 in Berlin, Germany. The event was jointly organised by the Danube-INCO.NET project and the coordinators and actors of PA7. Local organisers were DLR Project Management Agency and the German Federal Ministry of Education and Research. DFCN was established by agreement of its members (nominated by the Danube countries). Workshop participants discussed cooperation possibilities with external experts from Joint Programming Initiatives (Urban Europe; and More Years, Better Lives) and from Era-Nets (IraSME, PLATFORM for Bio-economy Era-Net Actions, and CoBiotech). First steps in the cooperation were agreed upon and will be followed up until the next DFCN meeting in autumn 2016.

PAC from Serbia has established cooperation with Slovak Ambassador in Serbia and agreed to organise next SG meeting back-to-back with an event that will be organised by the Slovak Embassy in October 2016.

Slovak PAC team presented the activities on PA7 and various seminars, workshops and conferences in Slovakia and abroad organized during the Slovak Presidency of the Council of the EU.

Slovak PAC team established cooperation with the University of Economics in Bratislava, where students of the Faculty of National Economy during both semesters acquired information about implementation of the EUSDR.

Ms Szüdi prepared a contribution on the EUSDR implementation at the 5th international scientific conference on Economic growth and national economies, held on November 4, 2016 in Prague.

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).

The following activities were undertaken:

- *Preparation of publications regarding the PA7:*
 - PA7 flyer and brochure development (in cooperation with Danube-INCO.NET)
 - Chapter on PA7 in a publication that will be published by the European movement in Serbia
- Web site presentation
 - Promotion on PA7 activities and other related events on PA7 official website (www.danubeknowledgesociety.eu), EUSDR web page and Danube-INCO.NET web page (including support to the regularly sent newsletter by Danube-INCO.NET and its social media

appearance on Facebook, Twitter and LinkedIn)

- Dissemination of PA7 activities/results through email communication with PA7 SG members, representatives of PA7 flagship projects, JRC and other relevant stakeholders
- On a national level, PA7 activities were discussed with EUSDR National Coordinators and national SG members from other PAs.
- Participation at several national and international events (conferences, presentations, workshops, etc.)

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?

Both PACs support team offered governance, facilitation and communication with SG members and other stakeholders of the PA7. Their work maintained defined tasks to go smoothly, both on internal level among PACs and their teams, as well as in the well-structured organization and hosting of the meetings.

To maintain good coordination with main stakeholders and strengthen links among SG members, the PACs have undertaken a number of dissemination and policy level activities. Since PA7 is a horizontal priority of the EUSDR, the networking and involvement of relevant stakeholders, prominent experts and organizations, links with other PAs, education and research institutions, professionals, organizations are essential to reach progress regarding defined PA7 targets.

Stable and excellent collaboration continued with SG members from AT, Danube-INCO.NET project coordinated by Centre for Social Innovation (ZSI) in Austria and including 18 partners from almost all EUSDR countries and with JRC.

Representation of partner countries in the PA7 SG and active participation of national representatives in the work of SG and its WGs has been slightly improved but still it is not on a satisfactory level. As different WGs show a diverging level of activities, a concrete outline of activities of individual WGs supporting the newly set (updated) targets should be envisaged. Concrete proposal for monitoring the new targets and potential progress in this respect needs to be included.

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)?

The most important challenge will be ensuring better participation of SG members on PA7 SG meetings, email communication, discussions and activities and understanding of our roles.

One of the ways for enabling fruitful SG meetings will be creating "innovative" meeting agendas in a way to provide more space for a discussion rather than for individual presentations.

Including more stakeholders in PA7 activities through their collaboration in PA7 WGs may be also a meaningful instrument.

The macro-regional strategies (Baltic-Sea, Danube, Adriatic-Ionian, Alpine Region) follow the "no new instruments, no new legislation and no new institutions" approach, but it should indeed be possible to introduce support activities for implementing these strategies through Horizon 2020 complementing the efforts of e.g. DG Regio as well as the efforts undertaken at the national and/or regional level.