



EU STRATEGY FOR THE DANUBE REGION

IMPLEMENTATION REPORT OF EUSDR PRIORITY AREA

2 “To Encourage More Sustainable Energy”

Reported period: from 07/2015 to 06/2016

(FINAL VERSION)

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LIST OF ABBREVIATIONS

CZ	CZECH REPUBLIC
DTP	INTERREG DANUBE TRANSNATIONAL PROGRAMME
EUSALP	EU STRATEGY FOR THE ALPINE REGION
EUSAIR	EU STRATEGY FOR THE ADRIATIC-IONIAN REGION
EUSBSR	EU STRATEGY FOR THE BALTIC SEA REGION
EUSDR	EU STRATEGY FOR THE DANUBE REGION
ENC	ENERGY COMMUNITY
HU	HUNGARY
PA2	PRIORITY AREA 2
SG	STEERING GROUP

1 EXECUTIVE SUMMARY

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

The period from July 2015 to June 2016 have been in the name of strengthening already well established practices of the Priority Area 2 “To Encourage More Sustainable Energy” of the EU Strategy for the Danube Region as well as establishing new practices with respect to the need to better engage its stakeholders. The energy landscape is always evolving, with new trends emerging alongside already well known common challenges.

In line with its Workplan, in the reporting period Priority Area 2 intended to contribute to affordable, safe, competitive, secure and sustainable energy in the Danube Region by supporting, via its activities, the interrelated dimensions of the Energy Union Strategy. Furthermore it was aiming at deepening synergies with other regional initiatives, such as the Energy Community.

For this reason, main priorities, on which the Priority Area 2 has focused during the reporting period July 2015 – June 2016 have been mapped and assessed the current energy situation in the Danube region, promoting sustainable energy management and energy efficiency in the cities while strengthening cooperation with relevant macro/regional initiatives and other relevant actors.

At policy level, the Priority Area 2 has issued two studies on the potential of the impact of the LNG revolution in Europe on the Danube region (The prospects for LNG in the Danube Region) and the Heating and cooling in the Danube region (Monitoring the renewable heat sector in the Danube Region). The study on the LNG served also as the basis for the 3rd Stakeholders’ seminar of the PA2, which took place in Brussels in May 2016 with the participation of nearly 100 experts from around the Danube Region. Both studies are also contributing to the respective strategies presented by the European Commission.

In the area of sustainable energy management in urban development, the Priority Area 2 has carried out two workshops on energy efficiency. The workshop “Energy efficient and sustainable Danube cities and regions: Linking strategic thinking and energy issues”, which took place in October 2015 in Ulm within the framework of the 4th Annual Forum EUSDR, focused on various approaches and tools present for urban planners for adopting strategic approach towards energy efficiency in their cities; whereas the workshop Cities in motion of energy transition: how technology and data help urban development, which took place in the framework of the United Nations’ conference European Habitat III in Prague in March 2016, focused on i) challenges the municipalities have been facing when dealing with the issue of energy management, ii) the trends in energy urban development, iii) options for municipalities to finance innovative projects and, iv) the role of transnational projects in achieving transferrable and participative innovations in urban planning. Both workshops also focused on financial opportunities for municipalities in these areas.

At project level, the Priority Area contributed to give its support to several regional projects as well as multiplying examples of good practices and bringing them to the macro-regional level. After assisting the successful establishment of the project consortia DANUBIOM and DARLINGe, the projects were submitted to the first call of the Danube Transnational Programme in November 2015.

The Priority Area has stepped up its effort for exchange of information and strengthened cooperation with relevant organizations (Energy Community, Carpathian Convention) and other macro-regional strategies (EUSAIR, EUSBSR, EUSALP). In total the PA2 has organized four big events, which were attended by nearly 200 people, by expert as well as a high level attendance, and which contributed to the four PA2’s targets and 12 actions.

For the next reporting period, the PA2 will focus further on promoting cooperation within the region as well as with other relevant actors, organizations and initiatives; on better and more active engagement of its stakeholders; mapping the energy landscape and having the EUSDR sufficiently visible; promoting macro-regional projects with a concrete benefit to the region and helping to fulfill the Energy Union and the 2030 climate-energy targets within the region.

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?

PA2 decided to continue to concentrate its efforts on topics related to the Energy Union Strategy following adoption of the Declaration on the Energy Union and the seminar, with focus on contributing to the ongoing discussions on LNG, heating and cooling and energy efficiency from the point of view of the Danube Region PA2 organized two workshops at the 4th Annual Forum in Ulm to address the issues of synergies between regional initiatives as well as the issue of energy efficiency. The aim of the workshop "Putting synergies into practice: regional initiatives together for sustainable use of local resources" was to share lessons learnt from already established cooperation with the main focus on Carpathian Convention, ICPDR and EUSDR, highlighting how cooperation with other regional initiatives can be conducted and proposing recommendations for both ongoing and prospective joint initiatives. The workshop "Energy efficient and sustainable Danube cities and regions: Linking strategic thinking and energy issues" was aiming at showing various problems the cities are facing when attempting to adopt strategic approach to taking advantage of the renewable energy sources and presenting possible solutions which are innovative and eco-sensitive. At the 12th Steering Group of PA2 in May 2016 in Brussels, the study "Monitoring the renewable heat sector in the Danube Region" was presented to the members of the Steering Group. The presentation was followed by a round-table session to discuss the current state of play of heating and cooling in the participating countries. Also, the 3rd Stakeholder Seminar on "LNG – Dream or reality for the Danube Region?" was organized by PA2 at the premises of the Permanent Representation of Hungary to the EU the day after the 12th Steering Group Meeting with the participation of nearly 100 experts mostly from Danube countries. Beside the topics related to the Energy Union, PA2 also addressed the issue of energy poverty in March 2016 in the frame of Habitat III conference in Prague with a workshop titled "Cities in motion of energy transition: how technology and data help urban development", which looked at how innovations can be incorporated in urban development and energy management and how municipalities can take on board academia, private sector as well as its own citizens in bid to tackle energy poverty.

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

LNG: The EU's strategy for liquefied natural gas (LNG) and gas storage forms an important element of the Energy Union project (COM/2015/80) due to its contribution to the security of supply of energy, the competitiveness of energy markets, and the climate and environmental objectives pursued in the context of the Energy Union and beyond. In terms of security of gas supply, LNG offers the diversification of suppliers and transport routes, as well as increased supply flexibility. LNG is also increasing competitiveness on markets due to the entry of international suppliers to markets. The key challenges to overcome for LNG to assume an important role on the EU's gas markets is the inadequate infrastructure, the completion of the internal gas market to ensure that the price signal directs investments most efficiently, and the establishment of close partnerships with international suppliers and customers to ensure a free, liquid and transparent global LNG market.

Heating: Heating and cooling has been incorporated in the Energy Union as one of the challenges in Europe in terms of energy as about 72% of population of the EU resides in urban areas where district heating and cooling is an issue. It offers also a lot of potential in terms of energy efficiency and saving and usage of RES. The Danube region is no exception. Thereby the PA2 has decided to focus on mapping the situation in Europe. Through the study "Monitoring the renewable heat sector in the Danube Region" elaborated in cooperation with REKK, PA2 was aiming at looking at the progress achieved by the DR countries regarding the deployment of renewable heat in the period 2004-2014, and comparing the actual RES-H consumption to the values set in the NREAPs for 2014 and 2020 in order to see whether they are on track to reach their targets.

Energy efficiency: Energy inefficiency is high in the Danube region. At the same time there is huge potential for the region for energy saving, saving money, contributing to broader energy security. At the same time the region offers interesting best practices which show how energy efficiency measures can be affordable. Within the context of energy efficiency, PA2 focused on the questions of which problems are the municipalities facing when dealing with the issue of energy managements, the trends in energy urban development, the finance of innovative projects and the role of transnational projects in achieving transferrable and participative innovations in urban planning.

Regional initiatives: The reason behind the choice of topic was to share lessons learnt from already established cooperation with the main focus on how synergies can be strengthened. In order to avoid duplication and to use available resources the best way, the PA2 focused on other relevant initiatives and organisations in the Danube region, such as the Carpathian Convention and ICPDR, highlighting how cooperation with other regional initiatives can be conducted and proposing recommendations for both ongoing and prospective joint initiatives.

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?

During the course of the last year, PA2 managed to attract major EU institutions' attention to the energy policy capacities in the Danube region in specific areas (described below). Senior representatives from bodies like EEAS, DG ENER, ACER or Energy Community actively participated in the PA2's events with valuable contributions complementing the research and policy analysis capacity of the PA2 and its commissioned studies. We believe that from now on, the energy policy makers in Brussels and other EU capitals are well informed that the Danube stakeholders under the EUSDR umbrella are those who are needed to be taken on-board not only in energy policy implementation but also in its formulation.

Studies:

- *LNG "The prospects of LNG in the Danube Region": mapping the situation within the Danube region, exploring the potential of LNG and impact of recent LNG development on the energy situation in Danube region*
- *Heating and cooling "Monitoring the renewable heat sector in the Danube Region": mapping the situation of heating in the Danube region with focus on the renewable energy sources*

Events:

- *4th Annual Forum in Ulm, 29th- 30th October 2015: examination of the trends within the region in terms of using renewable energy sources for energy efficiency, raising awareness on this issues and dissemination of the best practices.*
- *Habitat III in Prague, 16th 17th March 2016: examination of various trends in relation of approaches to energy poverty with the use of innovative solutions and engagement of various stakeholder by the urban planners (private sector partnership, academia, own citizens), awareness raising on this issues and dissemination of the best practices.*
- *3rd Stakeholder Seminar in Brussels, 26th May 2016: dissemination of the LNG study, discussion on the LNG prospects in the Danube region, thus contribution to the LNG debate from the Danube region perspective*
- *SG Meeting in Brussels, 25th May 2016: dissemination of the LNG and Heating and cooling studies among the members of the SG, discussion of the studies, raising awareness among the national administrations.*

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)?

Priority Area has successfully initiated the macro-regional debate on the most energy issues. In the reporting period PA2 has chosen to focus its policy related work around the EU's Energy Union Strategy, that is based on five mutually supportive dimensions: 1) energy security; 2) the internal energy market; 3) energy efficiency; 4) decarbonisation of the economy; and 5) research, innovation and competitiveness. Driven by the success of the 2nd Stakeholder Seminar PA2 chose to continue its work in line with the new umbrella strategy, more specifically the EU's strategy for liquefied natural gas (LNG) and gas storage published in March 2016. PA2 organized its 3rd Stakeholder Seminar on 26 May 2016 on LNG to see whether the Strategy's contribution to the security of supply of energy, the competitiveness of energy markets would also be valid for the Danube Region. Due to the gradual approach to build the event upon the success and thematic of the 2nd Stakeholder Seminar, a number of experts of last year's audience decided to attend this year's Seminar as well. The format of Stakeholder Seminar's in Brussels has proved to be an efficient tool for dissemination of the PA2 results and to bring the Danube region to Brussels.

Due to the debate and the undertaken studies, the countries of the Danube Region have a good overview of the current energy situation and also the potentials, challenges and threats to the region. In the upcoming reporting periods the Priority Area will have to work on dissemination of the acquired evidence and on bringing this knowledge to real use. Last but not least, it shall continue to transform the knowledge to real and concrete projects and initiatives.

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)?

In preparation for the Hungarian Presidency and the Annual Forum to be organized by the Hungarian coordination, PA2 plans to develop a comprehensive and holistic study to up-date and synthesize the results of previous policy analyses. The PA2 will also continue its efforts to transform the knowledge to real and concrete projects and initiatives.

2.2 PROGRESS ON PA'S TARGETS

Table 1: Progress on targets during the reporting period

PA Targets (number and wording of the target)	Progress during the reporting period				Clarifications
	Completed	Satisfactory progress	Delayed progress	Other	
(a)	(b)	(c)	(d)	(e)	(f)
1) <i>OLD TARGET: Achievement of national targets based on the Europe 2020 climate and energy targets</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2) <i>OLD TARGET: Remove existing bottlenecks in energy transport in countries of the EU Strategy for the Danube Region in order to allow reverse flow of gas by 2015</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<i>Despite the target date fixation to the end of 2015, the target has not been fulfilled due to the nature of the issue of bottlenecks in the energy transport. However, the PA2 has decided to amend this target in order not to limit the removal of bottlenecks only to energy transport, but to extend this target to the whole energy market to support the Energy Union.</i>
3) <i>OLD TARGET: Strengthen cooperation of the Energy Community countries with international financial institutions to upgrade the EC countries' energy infrastructure and energy markets by 2015</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<i>The Priority Area 2 has in the reporting period focused on strengthening its cooperation with the Energy Community in order to provide more benefits to its non-EU participating states. Despite its effort, this target, which should have been fulfilled by the end of 2015, has not been reached.</i> <i>During the revision of the targets the PA2 has decided to diminish this target and to include the cooperation with the Energy Community and activities concerning the EC's countries in new target on "Better interconnected region by joint activities with relevant initiatives and institutions".</i>
4) <i>OLD TARGET: Elaborate further the overarching European energy policy goals based on the Energy 2020 goals 'a strategy for competitive, sustainable and secure energy' with special attention to the energy infrastructure priorities for 2020 and beyond and to work towards the completion of the energy internal</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

PA Targets (number and wording of the target)	Progress during the reporting period				Clarifications
	Completed	Satisfactory progress	Delayed progress	Other	
(a)	(b)	(c)	(d)	(e)	(f)
<i>market; the non-member states are aspiring to achieving these goals</i>					
5) <i>NEW TARGET: To help to achieve the national targets based on the Europe 2030 climate and energy targets</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6) <i>NEW TARGET: To remove existing bottlenecks in energy to fulfil the goals of the Energy Union within the Danube Region</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
7) <i>NEW TARGET: Better interconnect region by joint activities with relevant initiatives and institutions</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

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

The Priority Area 2 has in the reporting period focused on the mapping of the current energy situation in the Danube region, promoting sustainable energy management and energy efficiency in the cities and strengthening cooperation with relevant macro/regional initiatives and other relevant actors. With respect to those focus areas, the PA2 has thus focused only on the targets 1,2 and 4 from the old targets and all the new targets (5,6,7).

In the case of the old targets to be fulfilled until the end of the 2015 (namely the targets 2 and 3), the progress on those targets has not been satisfactory as they have not been fulfilled in comparison with the original plan. Despite the time fixation of those targets, in an amended form those are still relevant for the PA2 and the region and the PA2 is still going to focus on those issues of the Energy Community countries and the energy bottlenecks removal.

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

The PA2's targets are defined in a broader way. They can be considered as big picture, more symbolic targets. Therefore the Priority Area cannot fulfil them alone due to their nature. The role of the PA2 is to contribute to the European and macro-regional developments and to help the participating states of the EUSDR to achieve their national goals. Only by feeding in the national and European goals can the Priority Area 2 be relevant for the

participating states.

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

The PA2 has already undergone the process of targets revision within the reporting period.

In May 2015 the debate on the revision of the targets had been opened in connection to the preparation of the Danube Transnational Programme's first call as it has been acknowledged that many targets are outdated (which was the case of the PA2 too) or are to be outdated by the end of 2015. Once the procedure and the timeline for the process of the revision of targets has been decided, the CZ-HU PA2 coordination has asked the SG members to comment on the current PA2 targets by the end of summer 2015. Recommendations on the revision of the PA2 targets have been received from Bavaria/Germany, Croatia and Serbia. After receiving feedbacks from those SG members, the CZ-HU coordination prepared a draft proposal of revised PA2 targets, which have been sent to the SG members on the 25th September 2015. The proposed targets were to better reflect the Energy Union dimensions and the need for synergies. At the 11th SG meeting in October 2015 in Ulm, Germany, the members of the SG have agreed to eliminate the existing target: "Elaborate further the overarching European energy policy goals based on the Energy 2020 goals 'a strategy for competitive, sustainable and secure energy with special attention to the energy infrastructure priorities for 2020 and beyond and to work towards the completion of the energy internal market; the non-EU Member States are aspiring to achieving these goals" for its complicity and because of its overlap with the target: "Achievement of national targets based on the Europe 2020 climate and energy targets." The remaining three targets have been amended, with the time fixation to the end of 2015 being erased and the targets being reworded and refocused for more up-to-date targets.

The newly proposed targets emerged as follows:

- 1) To help to achieve the national targets based on the Europe 2030 climate and energy targets;*
- 2) To remove existing bottlenecks in energy to fulfil the goals of the Energy Union within the Danube Region;*
- 3) Better interconnected region by joint activities with relevant initiatives and institutions.*

The SG members have been disseminated those proposals and the targets have been endorsed in written procedure in November 2015 and have been submitted to the Commission and the Danube Strategy Point subsequently.

2.3 PROGRESS ON PA'S ACTIONS

Table 2: Progress on actions during the reporting period

PA Targets (number)	Progress on action for reaching the targets during the reporting period																
	A1	A2	A3	A4	A5	A6	A7	A8	A9	A10	A11	A12	A13	A14	A15	A16	A17
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)
1.	ACpp	ACpp	ASP	ASP	ASP	APD	ASP	ASP									
2.									ASP								
3.										ASP	ASP	ANS					
4.													ASP	ANS	ANS	ANS	ANS

Legend:

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);
ANS	actions, whose implementation has not started yet;

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

Due to the limited capacity and the wide scope of the actions, the PA2 did not in the reported period focused on all 17 actions. In the course of the first 5 years of the implementation of the Strategy, it became clear that some of the targets and actions are outdated while some others proved to be long-lasting. Therefore, the Steering Group of PA2 has revised its set of targets and actions.

Therefore, our idea was to create an ideal set of actions, not being bound by the existing Action Plan, but to concentrate on the needs of the region and the activities (and competencies) of the PA2 instead. PA2 tried to decrease the number of Actions (from 17 to 10) for clearly focused and efficient management of the Actions and consequently PA2 activities. Also PA2 tried to cover all targets entirely:

- Europe 2030 climate and energy targets (-40% GHG, 27%RES, -27% energy use)*
- Energy Union (5 dimensions: 1-energy security, solidarity, trust; 2-fully integrated energy market; 3-energy efficiency; 4-decarbnsiation; 5-Research,*

Innovation and Competitiveness)

- *Joint activities with relevant initiatives and institutions (Energy Community, Carpathian Convention, other macro-regional initiatives, professional institutions of the region)*

In the case of some of the actions minor changes were made, some of them have been merged and some others have been deleted.

The proposed list of targets and actions was adopted by the Steering Group of PA2 in silence procedure with no objections on 4th February 2016.

The new list of targets and actions was approved by the Commission on 23rd May at the NC/PAC Meeting.

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

See above (Question 10)

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

See above (Question 10)

2.4 PROGRESS ON MILESTONES

Table 3: Progress on milestones during the reporting period

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

PA Actions (numbers)	Progress on milestones during the reporting period									
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
A6										
A7										
A8										
A9										
A10										
A11										
A12										
A13										
A14										
A15										
A16										
A17										

Legend:

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

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

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

2.5 PROGRESS ON ACTIVITIES

Table 4 Activities undertaken to progress on PA implementation

PA Actions (numbers)	Activities undertaken during the reporting period to progress on PA implementation
(a)	(b)
A1	<p>Management activities:</p> <p>1) Revision of the PA2 targets and actions by February 2016 (approved at the NC/PAC Meeting on 23rd May 2016) – this action was deleted</p>
A2	<p>Management activities:</p> <p>1) Revision of the PA2 targets and actions by February 2016 (approved at the NC/PAC Meeting on 23rd May 2016) – this action was deleted</p>
A3	<p>Activity related to other projects:</p> <ol style="list-style-type: none"> 1) TAF-DRP and START applications evaluated by the Steering Group members on 13th August 2015 via email (the projects applied for START and TAF-DRP seed money facilities second call, which has been closed in July 2015) 2) The projects BARGE, DARLINGe, DANUBIOM, SHEGSTP were endorsed by the Steering Group of PA2 3) Participation at the meetings of PA2 supported projects (DANUBIOM meeting in July 2015, DARLINGe meeting in September 2015) 4) The projects RESTAR, DANUBIOM, DARLIGe were submitted to the 1st call of the Danube Transnational Programme in Autumn 2015 5) Five project HUB meetings in the Czech Republic related to identification of possible PA2 projects <p>Activities for better publicity and communication:</p> <ol style="list-style-type: none"> 1) PA2 presented its activities in several conferences (Danube S3 Workshop: "Gathering opportunities around Research and Innovation Strategies for Smart Specialisation priorities", 7th July 2015, Vienna) 2) Regular update of the PA2 website 3) Organization of two workshops in Ulm ("Putting synergies into practice: regional initiatives together for sustainable use of local resources" and "Energy efficient and sustainable Danube cities and regions: Linking strategic thinking and energy issues"), 29th October 2015 4) Presentation of PA2 activities in the JRC Annual event on the Scientific Support to the Danube Strategy, 27th October 2015; 5) Presentation of the major milestones achieved by PA2 in the Working Group „Sustainability, Energy and Environment“ of ARGE Donauländer & RDSR; <p>Management activities:</p> <ol style="list-style-type: none"> 1) 11th SG meeting in Ulm, 28th October 2015, 12th SG Meeting in Brussels, 25th May 2016 2) Revision of the PA2 targets and actions by February 2016 (approved at the NC/PAC Meeting on 23rd May 2016) – this action was kept with minor wording changes and merged with the Action 5 3) Adoption of the Letters of Recommendation for the projects (BARGE, DANUBIOM and DARLINGe) at the 11th Steering Group Meeting <p>Coordination and cooperation and activities for involvement of stakeholders and civil society:</p> <ol style="list-style-type: none"> 1) Carpathian convention at the 4th Annual Forum in Ulm, in the workshop "Putting synergies into practice: regional initiatives together for sustainable use

PA Actions (numbers)	Activities undertaken during the reporting period to progress on PA implementation
(a)	(b)
	<p><i>of local resources” organized by PA2 on 29th October 2015. The aim of the event was to share lessons learnt from already established cooperation with the main focus on Carpathian Convention and ICPDR and EUSDR, highlighting how cooperation with other regional initiatives can be conducted and proposing recommendations for both ongoing and prospective joint initiatives. Speakers from the EIB, EUSBSR also participated at the event.</i></p> <p>2) <i>Workshop on “Energy efficient and sustainable Danube cities and regions: Linking strategic thinking and energy issues” on 30th October 2015 to show various problems the cities are facing in relation of adopting strategic approach to RES in energy management and to present possible solutions for innovative and eco-sensitive thinking regarding the use of renewable energy sources organized by PA2 with the participation of SZIE and the Czech University of Life Sciences (as lead partners of the projects DANUBIOM and RESTAR), as well as the DG REGIO</i></p> <p>3) <i>With the aim to enhance synergies between processes and mandates of the Carpathian Convention and the EUSDR for the benefit of the region, and to ensure the further strengthening of the ongoing Danube - Carpathian collaboration, PA2 is closely involved in ongoing discussions launched by the Commission in December 2015 to adopt a memorandum of understanding.</i></p>
A4	<p><i>Activities related to other projects:</i></p> <p>1) <i>The Ministry of Foreign Affairs and Trade of Hungary and the Carpathian Convention are both partners in the biomass project DANUBIOM. The project was endorsed by the Steering Group of PA2 at the 11th SG Meeting on 28 October 2015 in Ulm. Later on, the project was submitted to the 1st call of the Danube Transnational Programme</i></p> <p><i>Coordination and cooperation:</i></p> <p>2) <i>Carpathian convention at the 4th Annual Forum in Ulm, in the workshop "Putting synergies into practice: regional initiatives together for sustainable use of local resources" organized by PA2. The aim of the event was to share lessons learnt from already established cooperation with the main focus on Carpathian Convention, ICPDR and EUSDR, highlighting how cooperation with other regional initiatives can be conducted and proposing recommendations for both ongoing and prospective joint initiatives. Speakers from the EIB, EUSBSR also participated at the event.</i></p> <p>3) <i>With the aim to enhance synergies between processes and mandates of the Carpathian Convention and the EUSDR to the benefit of the Region, and to ensure the further strengthening of the ongoing Danube - Carpathian collaboration, PA2 is closely involved in ongoing discussions launched by the Commission in December 2015 to adopt a memorandum of understanding.</i></p> <p><i>Activities for better publicity and communication:</i></p> <p>4) <i>Regular update of PA2 website</i></p> <p><i>Management activities:</i></p> <p>5) <i>Revision of the PA2 targets and actions by February 2016 (approved at the NC/PAC Meeting on 23rd May 2016) – this action was kept with minor wording changes in order not to limit the cooperation with the Carpathian Convention only to the issue of biomass.</i></p>
A5	<p><i>Activities related to other projects and Management activities:</i></p> <p>1) <i>The project INCREASE was endorsed by the Steering Group of PA2. The project is aiming at achieving more effective regional energy planning across</i></p>

PA Actions (numbers)	Activities undertaken during the reporting period to progress on PA implementation
(a)	(b)
	<p><i>the partner countries with focus on scaling up renewable heat energy generation and its efficient use leveraged through innovative finance models.</i></p> <p>2) <i>Five project HUB meetings in the Czech _Republic related to identification of possible PA2 projects</i></p> <p><i>Policy development activities:</i></p> <p>3) <i>In cooperation with the Regional Centre for Energy Policy Research PA2 elaborated a study on the development of renewable heating (RES-H) in the countries of the Danube Region in March 2016. The study was presented to the Steering Group of PA2 at the 12th SG Meeting on 25th May 2016 in Brussels. As a next step, PA2 is looking for macro-regional project ideas within this topic.</i></p> <p><i>Activities for better publicity and communication:</i></p> <p>4) <i>Regular update of PA2 website</i></p> <p><i>Management activities:</i></p> <p>5) <i>Revision of the PA2 targets and actions by February 2016 (approved at the NC/PAC Meeting on 23rd May 2016) – this action was merged with Action 3</i></p>
A6	<p><i>Activities related to other projects and Management activities:</i></p> <p>1) <i>The project INCREASE was endorsed by the Steering Group of PA2. The project is aiming at achieving more effective regional energy planning across the partner countries with focus on scaling up renewable heat energy generation and its efficient use leveraged through innovative finance models.</i></p> <p>2) <i>Five project HUB meetings in the Czech _Republic related to identification of possible PA2 projects</i></p> <p><i>Policy development activities:</i></p> <p>3) <i>In cooperation with the Regional Centre for Energy Policy Research PA2 elaborated a study on the development of renewable heating (RES-H) in the countries of the Danube Region in March 2016. The study was presented to the Steering Group of PA2 at the 12th SG Meeting on 25th May 2016 in Brussels. As a next step, PA2 is looking for macro-regional project ideas within this topic.</i></p> <p><i>Coordination and cooperation and activities for involvement of stakeholders and civil society:</i></p> <p>4) <i>Workshop on “Energy efficient and sustainable Danube cities and regions: Linking strategic thinking and energy issues” to show various problems the cities are facing and present possible solutions for innovative and eco-sensitive thinking regarding the use of renewable energy sources organized by PA2 with the participation of SZIE and the Czech University of Life Sciences (as lead partners of the projects DANUBIOM and RESTAR), as well as the DG REGIO</i></p> <p><i>Activities related to other projects:</i></p> <p>5) <i>Participation at the kick-off Meeting of the Danube Transnational Programme (DTP) in Budapest on 23rd September 2015: Announcement of the first call for project proposals to be open in autumn 2015 to the Steering Group members. Under Specific Objective 3.2 (energy) DTP was looking for projects that contribute to the energy security and energy efficiency of the region by supporting the development of joint regional storage and distribution solutions</i></p>

PA Actions (numbers)	Activities undertaken during the reporting period to progress on PA implementation
(a)	(b)
	<p><i>and strategies for increasing energy efficiency and renewable energy usage</i></p> <p><i>Activities for better publicity and communication:</i></p> <p>6) <i>Regular update of PA2 website</i></p> <p><i>Management activities:</i></p> <p>7) <i>Revision of the PA2 targets and actions by February 2016 (approved at the NC/PAC Meeting on 23rd May 2016) – this action was kept with minor wording changes in order to have a broader and more up-to-date action</i></p>
A7	<p><i>Management activities:</i></p> <p>1) <i>Revision of the PA2 targets and actions by February 2016 (approved at the NC/PAC Meeting on 23rd May 2016) – Action 7 and Action 8 were merged to create more comprehensive actions and to avoid overlapping of the targets.</i></p> <p>2) <i>Steering Group meetings on 28th October 2015 and 25th May 2016</i></p>
A8	<p><i>Management activities:</i></p> <p><i>Revision of the PA2 targets and actions by February 2016 (approved at the NC/PAC Meeting on 23rd May 2016) – Action 7 and Action 8 were merged to create more comprehensive actions and to avoid overlapping of the targets.</i></p> <p><i>Coordination and cooperation:</i></p> <p>1) <i>Workshop on “Energy efficient and sustainable Danube cities and regions: Linking strategic thinking and energy issues” on 30th October 2015 to show various problems the cities are facing in relation of adopting strategic approach to RES in energy management and to present possible solutions for innovative and eco-sensitive thinking regarding the use of renewable energy sources organized by PA2 with the participation of SZIE and the Czech University of Life Sciences (as lead partners of the projects DANUBIOM and RESTAR),</i></p> <p>2) <i>Workshop on “Cities in motion of energy transition: how technology and data help urban development” on the 17th March 2016 in the framework of the UN conference European Habitat III.</i></p> <p><i>Activities for involvement of stakeholders and civil society:</i></p> <p>3) <i>Workshop on “Energy efficient and sustainable Danube cities and regions: Linking strategic thinking and energy issues” on 30th October 2015 to show various problems the cities are facing in relation of adopting strategic approach to RES in energy management and to present possible solutions for innovative and eco-sensitive thinking regarding the use of renewable energy sources organized by PA2 with the participation of SZIE and the Czech University of Life Sciences (as lead partners of the projects DANUBIOM and RESTAR),</i></p> <p>4) <i>Workshop on “Cities in motion of energy transition: how technology and data help urban development” on the 17th March 2016 in the framework of the UN conference European Habitat III.</i></p> <p>5) <i>Five project HUB meetings in the Czech Republic related to identification of possible PA2 projects</i></p>

PA Actions (numbers)	Activities undertaken during the reporting period to progress on PA implementation
(a)	(b)
A9	<p><i>Policy development activity:</i></p> <p>1) <i>In cooperation with the Regional Centre for Energy Policy Research PA2 elaborated a study on “The prospects for LNG in the Danube Region”. The study was presented at the 12th Steering Group of PA2 and the 3rd Stakeholder Seminar on 25th -26th May 2016 in Brussels.</i></p> <p><i>Activities for involvement of stakeholders and civil society:</i></p> <p>2) <i>Based on the conclusions of the study “The prospects for LNG in the Danube Region” and in order to build upon the success of the 2nd Stakeholder Seminar “Towards the European Energy Union “, PA2 organized its 3rd Stakeholder Seminar titled “LNG – Dream or reality for the Danube Region?”. The analysed routes and scenarios of the study stem from existing and potential LNG terminals in Poland, Greece, and Croatia and the identified PCIs projects that connect them throughout the Danube Region (North-South Corridor).</i></p> <p><i>Activities for better publicity and communication:</i></p> <p>3) <i>Regular update of PA2 website</i></p> <p><i>Management activities:</i></p> <p>4) <i>Revision of the PA2 targets and actions by February 2016 (approved at the NC/PAC Meeting on 23rd May 2016) – the action was modified in order not to limit to the North-South gas interconnection but to focus the action and PA2 support to all key interconnection projects.</i></p>
A10	<p><i>Policy development activities:</i></p> <p>1) <i>“The prospects for LNG in the Danube Region” study that covers in part the geographical area of the Energy Community. The study conclusions were presented at the 3rd Stakeholder Seminar on 26th May 2016 in Brussels. Similarly to last years’ stakeholder seminar, an expert of the Energy Community was invited to present their position on the topic at hand.</i></p> <p><i>Activities related to other projects:</i></p> <p>1) <i>Letter of Recommendation issued by the CZ-HU coordination of PA2 for the Energy Community Summer School project to take place first in September 2016 in Tirana</i></p> <p><i>Coordination and cooperation activities and Activities for involvement of stakeholders and civil society:</i></p> <p>1) <i>To strengthen cooperation with the Energy Community, PA2 initiated a meeting in Vienna on 26th November 2015. The aim of the meeting was to present activities and achievements of PA2, to get a closer insight on ongoing EnC projects, as well as to seek room for cooperation. To ensure the continuity of cooperation, PA2 coordination will continue to invite the relevant EnC experts to participate in PA2 events related to most topical energy issues. For instance, participation of the relevant EnC expert in the 3rd Stakeholder Seminar of PA2 “LNG- Dream or reality for the Danube Region?” was ensured.</i></p> <p>2) <i>Participation of PA2 at the 10th GAS FORUM of the Energy Community on 6-7 October in Ljubljana was ensured</i></p>

PA Actions (numbers)	Activities undertaken during the reporting period to progress on PA implementation
(a)	(b)
	<p><i>Activities for publicity and communication:</i></p> <p>1) <i>Regular update of PA2 website</i></p> <p><i>Management activities:</i></p> <p>1) <i>Revision of the PA2 targets and actions by February 2016 (approved at the NC/PAC Meeting on 23rd May 2016) – this action was kept as it is</i></p>
A11	<p><i>Policy development activities:</i></p> <p>1) <i>“The prospects for LNG in the Danube Region” study that covers in part the geographical area of the Energy Community. The study conclusions were presented at the 3rd Stakeholder Seminar on 26th May 2016 in Brussels. Similarly to last years’ stakeholder seminar, an expert of the Energy Community was invited to present their position on the topic at hand.</i></p> <p><i>Activities related to other projects:</i></p> <p>1) <i>Letter of Recommendation issued by the CZ-HU coordination of PA2 for the Energy Community Summer School project to take place first in September 2016 in Tirana</i></p> <p><i>Coordination and cooperation activities and Activities for involvement of stakeholders and civil society:</i></p> <p>1) <i>To strengthen cooperation with the Energy Community, PA2 initiated a meeting in Vienna on 26th November 2015. The aim of the meeting was to present activities and achievements of PA2, to get a closer insight on ongoing EnC projects, as well as to seek room for cooperation. To ensure the continuity of cooperation, PA2 coordination will continue to invite the relevant EnC experts to participate in PA2 events related to most topical energy issues. For instance, participation of the relevant EnC expert in the 3rd Stakeholder Seminar of PA2 “LNG- Dream or reality for the Danube Region?” was ensured.</i></p> <p>2) <i>Participation at the 10th GAS FORUM of the Energy Community on 6-7 October in Ljubljana</i></p> <p><i>Activities for publicity and communication:</i></p> <p>1) <i>Regular update of PA2 website</i></p> <p><i>Management activities:</i></p> <p>1) <i>Revision of the PA2 targets and actions by February 2016 (approved at the NC/PAC Meeting on 23rd May 2016) – this action was erased in order to create more coherent actions as promotion of cooperation with the Energy Community is already listed in another action.</i></p>
A12	<p><i>Management activities:</i></p> <p>1) <i>Revision of the PA2 targets and actions by February 2016 (approved at the NC/PAC Meeting on 23rd May 2016) – this action was erased in order to create more coherent actions as promotion of cooperation with the Energy Community is already listed in another action.</i></p>

PA Actions (numbers)	Activities undertaken during the reporting period to progress on PA implementation
(a)	(b)
A13	<p>Management activities:</p> <p>1) Revision of the PA2 targets and actions by February 2016 (approved at the NC/PAC Meeting on 23rd May 2016) – this action was deleted as energy security and interconnections are addressed in another action</p>
A14	<p>Management activities:</p> <p>1) Revision of the PA2 targets and actions by February 2016 (approved at the NC/PAC Meeting on 23rd May 2016) – this action was deleted since it seemed to be unrealistic and EUSDR was not fitted to implement such Plans</p>
A15	<p>Management activities:</p> <p>1) Revision of the PA2 targets and actions by February 2016 (approved at the NC/PAC Meeting on 23rd May 2016) – this action was deleted as the market coupling initiative has been finished</p>
A16	<p>Management activities:</p> <p>1) Revision of the PA2 targets and actions by February 2016 (approved at the NC/PAC Meeting on 23rd May 2016) – this action was deleted as support to hydropower is addressed in another action</p>
A17	<p>Management activities:</p> <p>1) Revision of the PA2 targets and actions by February 2016 (approved at the NC/PAC Meeting on 23rd May 2016) – this action was deleted as hydropower is already included in another action</p>

2.6 EUSDR STRATEGIC PROJECTS

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

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

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

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.

Technical Assistance Grant

The current Technical Assistance fund granted to the Priority Area has been a substantial (but non-exclusive) source for implementation, including crucial support for governance and administration of the Priority Area. Between July 2015 and June 2016, the Technical Assistance Grant has been utilized to cover the cost of travel and accommodation to the meetings of the EUSDR such as the meetings of Priority Area Coordinators, Annual Forum, etc. at both Czech and Hungarian coordination sides. The financial assistance in the form of the Technical Assistance has been crucial in relation to the expenditure related to the organisation of the Steering Group meetings. Not only does the grant allow the Priority Area Coordinators to ensure that the Steering Group meets twice a year, but more importantly, it enables the coordinators to support the non-EU members of the Steering Group in participating personally.

Apart from supporting the governance/administration-related costs the current Technical Assistance Grant has been used to cover the costs related to the achievements of the Priority Area's targets and fulfilment of the Action Plan. In the reporting period, studies like the "Monitoring the renewable heat sector in the Danube Region" and the "The prospects for LNG in the Danube Region", have been published, which have further contributed to the mapping of the current situation in the energy sector in the region.

START-TAF

Steering Group members were provided with all the documentation necessary for the evaluation of TAF-DRP and START applications in August 2015. By the 11th September CZ-HU coordination received the evaluation from 4 DR countries (Moldova, Croatia, Czech Republic and Hungary). In conclusion to the evaluation procedure evaluation four projects (Energy Planning in Communities (EPIC), Development of Energy Management Support System to encourage renewable energy sources installations in buildings of institution of higher education (HIGH_RES), Improving Energy Efficiency in local authorities in the Danube Region (IEEDR), Danube Green 4 Blue : Sustainability in Planning & Design (DANGREEN)) were selected for START, and two projects (Pilot Project for Reference Data and Procedure Development for Energy Efficiency Performance Certificates of Buildings in the Republic of Moldova (RefDat EEPC), Effectivity Energy System (EES)) were selected for TAF-DRP funding.

The supported projects were submitted also to other financial programmes such as CENTRAL EUROPE 2020 or the Danube Transnational Programme.

DTP

Other projects, such as the Danube Region Geothermal Concept, were already supported from the first call of START seed money facility in 2014. Since then, the project was further improved. In the Danube region there are about 3 000 cities which are using district heating system. At the 11th Steering Group of PA2 the lead partner of the project (Geological and Geophysical Institute of Hungary) presented the project partnership consisting of 17 partners and 6 associated partners from HU, SLO, HR, SRB, BiH, RO and the main objective (enhance the sustainable and energy-efficient use of deep geothermal energy resources in the central and SE-ern part of the Danube Region) of the project DARLINGe (Danube Region Leader in Geothermal Energy). DARLINGe was later on submitted to Danube Transnational Programme in November 2015 where it passed the 1st round with great success.

The biomass project DANUBIOM envisages, inter alia, establishing a bioenergy statistical database, creating a sustainability assessment tool characterizing sustainable value chains and also providing up-to-date planning practices. DANUBIOM was also submitted to the 1st call of Danube Transnational Programme in November 2015. Its partners include organizations from 8 countries (Germany, Austria,

Czech Republic, Hungary, Croatia, Serbia, Slovenia and Romania).

RESTAR project aims to create a tool and a joint strategy for development of renewable energy sources (RES) using principles formed in RESTEP and Regional Sources Assessment for cross-border regions in selected Danube countries with an emphasis to the environmental importance. The project partners are from Czech Republic, Hungary, Slovakia, Austria and Serbia. The project was submitted to the 1st call of Danube Transnational Programme in November 2015.

PA2 is involved in all projects.

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?

Projects concerning energy, which are also goals of the Priority Area, very often require great amount of various financial resources (European Union's financial instruments, state or private resources). This poses certain limitation to the scope of projects, which could be potentially carried out within the framework of the Strategy. However, focusing on projects with concrete results, the Priority Area has made effective use of the past funding opportunities (technical assistance and also the Seed money facility) available for the initial stages of project development. It should take further steps to become more competitive in obtaining other sources for project implementation, not only from the Danube Transnational Programme, but also from other EU financial instruments such as CEF and other various transnational programmes.

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.

In the reporting period the Priority Area has faced the challenges of decreased financial resources allocated to its implementation, concerning administration/governance costs in particular. The Technical Assistance Grant has been the most important source of financial resources for the Priority Area coordination and the Strategy implementation in the terms of ensuring the high level of participative governance within the Priority Area as well as related to the Strategy itself.

Consequently, to keep such a high level of involvement and quality of results in the context of decreased financial resources might pose a challenge for the coordinating countries in the following period. Also increased administrative burden, namely in relation to the technical assistance reporting linked to the future source of financing, the Interreg Danube, will pose significant challenge for ensuring the quality of the results with respect to limited personal capacities. Additionally, Priority Area has to actively gather information on the funding opportunities available while sharing that information with all stakeholders to support project development contributing to the Action Plan. The Priority Area should not only gather the information on available financial instruments, but should also increase its efforts in exploring the possibilities of various financial instruments apart from the Danube Transnational Programme, such as the CEF, HORIZONT 2020 or other regional financial programmes. To be able to succeed with projects within the high competitiveness, the Priority Area needs to support the development of projects of high quality and which are of added value across borders. That can be achieved also by exploring the synergies with other relevant international or regional organisations or agreements such as the Energy Community, Carpathian Convention, or even other EU macro-regional strategies as well as other Priority Areas. Horizontal cooperation will pose big challenges but also opportunities for the Priority Area 2 to find space for joint projects in the energy field.

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?

In the reported period there have been four significant changes in terms of the functioning of the PACs and the SG. The CZ-HU coordination has established the practice of regular Strategic meetings, which serve the purpose of providing time and platform for strategic discussion between the coordination sides in order to better plan PA2's activities, strengthen the coordination between the both sides and also to discuss any practicalities, for which limited time is left during the usual EUSDR meetings. In August 2015, the Strategic meeting was hosted by the CZ in Prague and HU hosted the CZ coordination in Budapest in February 2016. This practice is to be continued as it proved efficient and of added value for the CZ-HU coordination.

The PA2 has also undergone personnel changes, when Hungarian Chief Advisor of the PAC, Mr. Szilárd Árvay, has left.

In terms of the functioning of the SG, the CZ-HU coordination has strived to make the SG meetings more time efficient for the members of the SG. As a result the SG meetings have been planned as adjacent events to other PAs or EUSDR meetings, namely the 4th Annual Forum of the EUSDR in October 2015 and the PA2's Stakeholder' Seminar on LNG in May 2016. The CZ-HU coordination has also introduced a policy-oriented part of the SG called Energy Coffee, which aims at moderated discussion while enabling the members of the SG to share national information on various energy issues.

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

SG meeting	AT	BA	BG	CZ	DE	HR	HU	MD	ME	RO	RS	SI	SK	UA
October 2015		X		X	X	X	X	X		X				
May 2016			X	X	X		X			X			X	

4.2 COORDINATION AND COOPERATION ACTIVITIES

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

The PA2 has strengthened its cooperation with the PA6, namely in terms of consultations on several projects such as the Danube Sturgeons or Free Sky Initiative. The PA2 has also been present at the PA10 workshop in Ulm for the municipalities (RESTAR project) and together those two PAs have also prepared an application for an event on poverty in urban areas for the European Habitat III conference, which in the end has not been selected by the organizers to qualify as the conference's Side Event.

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

applicable).

Within the reporting period the PA2 has established links with the EIB, whose representative has also participated at the Round table on macro-regional synergies in Ulm within the framework of the 4th Annual Forum of the EUSDR. The PA2 has also initiated gradual establishment of closer links with the DG ENER. However, DG REGIO and DG ENER attend the Steering Group Meetings of PA2 on a regular basis. The 12th Steering Group Meeting was also attended by DG RTD to present the EU's Bioeconomy Strategy.

Priority Area 2 attaches particular importance to establish and maintain links with other regional and macro-regional initiatives such as the Energy Community and the Carpathian Convention. Thus, the Priority Area organized a meeting with the Energy Community (Vienna in November 2015) with the aim to present activities and achievements of PA2, to get a closer insight on ongoing EnC projects, as well as to seek room for cooperation. Furthermore, with the aim to enhance synergies between processes and mandates of the Carpathian Convention and the EUSDR for the benefit of the region, and to ensure the further strengthening of the ongoing Danube - Carpathian collaboration, PA2 is closely involved in ongoing discussions launched by the Commission in December 2015 to adopt a memorandum of understanding. It is also important to highlight that at the project level the Priority Area 2 and the Carpathian Convention are both involved in DANUBIOM.

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

The Priority Area 2 has established links with the Joint Secretariat of the DANUBE Transnational Programme. Ms. Alessandra Pala has been asked to present the latest developments in DTP calls at the Steering Group in May 2016. The PA2 did not establish any links towards other ESIF MAs/MCs. The PA2 is in contact with the DTP Monitoring Committee via the CZ and HU National coordinators who are (observer / full) members of the DTP MC.

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).

The reporting period saw several activities aimed at strengthening the involvement of the stakeholders and civil society in the activity of the PA2. Apart from the traditional participation at the SG meeting, the coordinators of the PA2 have during summer 2015 prepared an online consultation as part of the preparation of the plans for the future activities in 2016 for the SG members. Furthermore the PA2 has extended its consultations and exchange of information with ICPDR and Carpathian Convention (e.g. on the Round table on macro-regional synergies), Energy Community (bilateral meeting in November 2015).

The engagement of civil society is also crucial part of the PA2's activities. Therefore representatives of the civil society have been invited as speakers and also participants to the PA2 workshops at the 4th Annual Forum, the workshop within the framework of the European Habitat III and also the PA2 stakeholder's seminar on LNG.

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 visibility of the PA2 is one of the areas of more strengthened focus as better publicity and communication of EUSDR have been acknowledged. Apart from traditional communication channels such as the PA2 website, the PA2 has used more frequently the social media channels via the Danube Strategy Point. It has also used the opportunity to present its work in traditional media, e.g. by publishing in CEER Report or by inviting journalists to the Stakeholder's seminar on the LNG.

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?

Regarding the SG meetings, the most significant lesson learned has been that organization of SG meetings as part of other EUSDR or PA2 events is not attractive for the SG members. The declining participation of the members of the SG in meetings is a long-term issue, on which the PA2 coordination has been lately trying to focus. The PA2 coordination will have to work even harder to fine-tune the form and timing of the meetings in order to reactivate the SG members.

Another lesson learned is that there is still quite an untapped potential to explore synergies with other macro-regional strategies (namely the EUSIAR and the newly established EUSALP) as well as with well-established organizations. In order not to duplicate efforts and to better use available resources, the PA2 should in the following months, pay greater attention especially to creating possible joint initiatives with other EUSDR PAs as well as with other relevant initiatives within the region and outside.

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)?

In the following reporting period the PA2 is going to continue strengthening the CZ-HU coordination for more visible and well-governed PA2, including activities relevant not only for the state administration but also for the civil society stakeholders. The coordination has to also ensure that the PA2 transfers smoothly to the new financing instrument, the DTP. Well-functioning coordination between CZ and HU will be crucial for good preparation of its priorities and activities for next three years.

High on the agenda should be creating synergies with other EUSDR PAS, cooperation with the other macro-regional strategies and other relevant actors in the region. This is important especially with regards to available funding instruments for projects in order to increase the number and quality of macro-regional projects.

The PA2 is going to furthermore continue to keep up with the trends on the EU level in order to adequately react to emerging trends with its relevant activities and also to promote the macro-regional view on current developments in the energy field in the EU.

Last but not least, the PA2 will strive to continuously ensuring that the interventions of the PA2 are more visible in order to provide sufficient and relevant content to the macro-regional developments and also to increase its impact on various stakeholders.

ANNEX I: ROADMAPS TO IMPLEMENT EACH PA ACTION

Table 8: Roadmap to implement an action

ROADMAP FOR ACTION 1			
<i>EUSDR Target to which the Roadmap is related</i>	<i>(number and title of the target – as in Table 1)</i>		
<i>EUSDR Action to which the Roadmap is related</i>	<i>(number and title of the action – as in Table 2)</i>	<i>Deadline (year) for finalising implementation of the EUSDR Action</i>	
<i>Milestones</i>	<i>Definition of milestone</i>	<i>Planned deadline for achieving the milestone</i>	<i>Responsible actors for the milestone</i>
<i>M1</i>			
<i>M2</i>			
<i>M3</i>			
<i>M4</i>			
<i>M5</i>			
<i>M6</i>			
<i>M7</i>			
<i>M8</i>			
<i>M9</i>			
<i>M10</i>			

ANNEX II: PA'S WORKPLAN FOR 1 YEARS

Table 9: PA's workplan for 1 year

Workplan for activities	Corresponding		YEAR 1			
	Actions	Milestones	Q1	Q2	Q3	Q4
(a)	(b)	(c)	(d)	(e)	(f)	(g)
Policy development activities:						
Stakeholder's Seminar on LNG: "LNG – Dream or Reality for the Danube Region?"	Actions 9, 10 and 11		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Activities related to Strategic projects:						
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Activities related to other projects:						
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Coordination and cooperation activities:						

Workplan for activities	Corresponding		YEAR 1			
	Actions	Milestones	Q1	Q2	Q3	Q4
(a)	(b)	(c)	(d)	(e)	(f)	(g)
Strategic meeting CZ-HU in Prague			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Strategic meeting CZ-HU in Budapest			<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Reaching out to EUSALP and EUSAIR- meetings			<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Activities for involvement of stakeholders and civil society:						
Cities in motion of energy transition: how technology and data help urban development – European HABITAT III workshop in Prague	Actions 3, 4, 5, 6, 7, 8		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Project HUB meetings	Actions 3, 5, 6, 8		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Publicity and communication activities:						
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Management activities:						
11 th Steering Group in Ulm	Actions 3, 4, 5, 6, 7, 8, 9, 10		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12 th Steering Group in Brussels	Actions 3, 4, 5, 6, 7, 8, 9, 10		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<i>Workplan for activities</i>	<i>Corresponding</i>		<i>YEAR 1</i>			
	<i>Actions</i>	<i>Milestones</i>	<i>Q1</i>	<i>Q2</i>	<i>Q3</i>	<i>Q4</i>
<i>(a)</i>	<i>(b)</i>	<i>(c)</i>	<i>(d)</i>	<i>(e)</i>	<i>(f)</i>	<i>(g)</i>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>