EU Strategy for the Danube Region

DANUBE REGION
strategy
Institutional Capacity

EUSDR Report June 2013

Priority Area *10*

To step up institutional capacity and cooperation

Table of contents

Annexes

- *Annex 1: Roadmap of the 9 actions: EUSDR 2015 - A promising perspective without subsidies*

- *Annex 2: Updated list of PA 10 projects – 06.2013*

- *Annex 3: Technical Assistance progress and finance report incl. annexes (already submitted to DG Regio, period 08-2012 to 01.2013)*

- *Annex 4: List of events and meetings organised or attended by PAC 10 during the reporting period*

- *Annex 5: Position paper "Embedding the EUSDR and its stakeholders in the programming of Structural Funds 2014-2020"*

- *Annex 6: Projects in the field of cross-border governance and institutional cooperation*

- *Annex 7: Embedding the Civil Society in the EUSDR – PA 10 Roadmap 2013*

- *Annex 8:The Vienna Charter goes Danube*

- *Annex 9: To establish a network of Danube Cities and Metropolitan Regions*

- *Annex 10: Establishing a Danube Region Network of UNESCO world heritage sites*

NB: Annexes listed here mainly refer to main activities developed in the last months of the reporting period. For activities of the first part of the reporting period, please refer to Annex 3.

1. OVERALL PROGRESS

1.1. State of play

Since June 2012, the development of Priority Area 10 "to step up institutional capacity and cooperation" (PA 10) has been substantial and a number of milestones have been achieved.

1.1.1. Action Plan

After the set up phase, where the governance of PA 10 and projects/project ideas were identified along the Action Plan, the second half of 2012 and first half of 2013 were dedicated to re-orientating the project-related work towards strategic policy development.

A new strategic direction was taken in December 2012 with the Steering Group of PA 10: "**from a pure project development mechanism to the implementation of political processes**, where necessary", for the interim period 2013-2014.

For this, a number of strategic actions were defined in an orientation paper/roadmap for 2013-2014, validated by the Steering and Working Groups in March-April 2013. This document reinterprets each of the nine actions relating to PA 10 in the direction of policy procedures and processes (see Annex 1 "EUSDR 2015 – a promising perspective without subsidies").

➔ For details about the nine actions and associated milestones, see section 2.

For each of the nine actions, a number of initiatives have been started by PAC 10, with the support/involvement of its Steering and Working Groups. For details, see Annex 1.

1.1.2. Projects

71 projects had been identified by PA 10 as of mid-2012. No new projects have emerged since then, and the recent review[1] has revealed that the implementation stage of most projects has not evolved much. However PAC 10 is still actively supporting some PA-relevant projects that are in the preparation or implementation stage. For instance, PAC 10 Kurt Puchinger provided advice in the preparation phase of the cross-border project Danube Excellence (Austria-Hungary) and is a member of the Steering Committee, whose kick-off meeting took place in March 2013.

1.1.3. Pilot actions

PAC 10 is also responsible for two pilot actions, entrusted by the European Commission: the Danube Financing Dialogue and the Technical Assistance Facility for Danube Region Projects (TAF-DRP). Major progress was achieved during the last 12 months, with the organisation of the second Danube Dialogue in Belgrade (January 2013) and the launch of the TAF-DRP (May 2013). The fact that the management of two

---

[1] PAC 10 Vienna contacted the promoters or SG members who had submitted project ideas last year, in order to receive an update on the progress of these projects. Only projects in preparation or planned were contacted, as this is where a change to the status quo may be expected. Only one out of the 33 contacted projects replied, which seems to confirm on the project side as well, among other things, the new approach taken by PA 10.

horizontal projects which are relevant to all Priority Areas was granted to PA 10, is seen as a positive sign of the role played by PA 10 and the relevance of the horizontal issues tackled.

- **Danube Financing Dialogue**

The Danube Financing Dialogue brings together small and medium-size enterprises (SMEs) from the whole Danube Region with international financing institutions and national funding sources. The Dialogue is providing a unique platform for stimulating match-making of SME´s financing needs and financing possibilities offered by financing institutions. After the first edition held in Vienna in March 2012, the second edition was organised on 24-25 January 2013 in Belgrade and hosted by the National Bank of Serbia (see photo). The 2nd Danube Financing Dialogue was attended by approx. 230 participants (80 EUSDR stakeholders, 110 project promoters and 40 financial institutions).

With over 400 stakeholders involved in the first and second editions and a third edition in preparation, which will take place back-to-back with the annual forum 2013 of the EUSDR, the **Danube Financing Dialogue** is a clear success story of PA 10, and shows the need for a sustainable platform on financing to accompany the development of initiatives in the Danube Region in 2014-2020.

- **Technical Assistance Facility for Danube Region Projects (TAF-DRP)**

The implementation of the Facility, a project preparation scheme, was entrusted by the European Commission to the City of Vienna (PAC 10 Vienna). With an overall budget of 1M€, the Facility will support up to 40 project ideas (stemming from all priority areas and countries of the EUSDR), into a further stage of project preparation, through the provision of consultant expertise. Two to three calls are foreseen, and the first call was launched by PAC 10 on 24 May 2013 – it will remain opened until 10th of September. All Priority Area Coordinators are closely associated to this pilot action, as they are in charge of the pre-selection of project ideas from their respective area, and they will also be associated to the monitoring of the Facility. PAC 10 organised 2 information and training sessions for all PACs, on 30-31 January 2013 in Brussels and on 30.04.2013 in Sofia. The Facility was also presented at a joint meeting of the Steering Groups of PA 7-8-9 in Bratislava, 15.05.2013, and at a meeting of PA 10 Steering Group, 21.05.2013 in Ljubljana.

PAC 10 prepared and disseminated a comprehensive information pack to all PACs and DG Regio EUSDR team (presentation, guidelines for PACs and applicants, application form, letter of commitment), through the intranet of PA 10. The call was also announced on the website of PA 10.

An advisory committee, which will be consulted in the selection process of project applications and in the monitoring and evaluation of the Facility, was established by PAC 10 and the kick-off meeting took place on 26.04.2013 in Vienna.

In parallel, after finalisation of the EC Agreement for 2013-2015 (which covers the financing of the Facility), PAC 10 has prepared a Europe-wide tender procedure for the selection of consultant services that will be provided to selected projects. The tender is organised as a two-step procedure and will lead to the selection of 1 to 3 offers, corresponding to the thematic lots to be covered. It is expected that the

procedure will last 4 months, so the first projects should receive external support from October 2013 onwards.

1.1.4. Weaknesses, lessons learned, challenges and future perspectives

- **Strategic re-orientation and backup**

Like in other Priority Areas, PA 10 focused in the first period on the identification and collection of projects. It took quite some time to realise that this focus on project identification was not the most relevant type of action for PA 10 in this interim period (end of the 2007-2013 funding possibilities). The progressive reorientation towards policy development (identification of policy issues at national level, awareness-raising at political level about the identified issues, leading eventually to the development of projects and actions) is now taking place, and project lists will be kept on-hold for the time-being. This re-orientation has been time-consuming but we consider that it was an essential step to make.

National debate is needed and can be facilitated, but not alone, by PA C10. It is essential that Steering Group and Working Group members have the capacity, resources, and political backup to organise such debate in the countries, and to implement the actions agreed at SG and WG meetings (e.g. identification of stakeholders relevant to a certain topic, collection of needs, dissemination of information etc.). It is essential that NCPs in the Danube Region countries and the European Commission relay such needs to the political level.

- **Added-value**

At this stage, we consider that the existence of the Strategy and its overall acknowledgement has been a key-element to speed up certain discussions, such as the need to establish a coordinated platform of and for civil society actors in the Danube Region, the need for match-making opportunities for Danube Region projects, or the urgent need to address issues faced by the Roma communities throughout the Danube Region. Also the 2 pilot actions implemented by PAC 10 indicate the need to establish such support and match-making schemes as standard instruments of the Strategy, as many stakeholders do not have the capacity, resources, knowledge or know-how to develop initiatives alone. We expect that such schemes should increase the absorption rate of EU funds in the Danube Region, which has been rather low in some countries and sectors. And this would definitely "prove" the added-value of the EUSDR.

- **Measuring**

As reported in the previous annual report, it remains challenging to connect the targets with the actions, milestones and projects: there has not been much progress on the side of the projects, as most projects identified so far were and still as at the stage of ideas (due to the need for funding); 2 targets are not directly interlinked with the existing actions; the development of milestones depends also on the type of commitment from the Steering and Working Groups members and cannot pragmatically be derived from the actions; project ideas do not all directly relate to a specific action but are relevant for Priority Area in general. As PA 10 actions relate mostly to soft measures, it is also challenging to define measurable indicators for each of the milestones including facts and figures. For this reason, the strategic focus of PA 10 with identification of a limited but concrete set of actions appears as the most realistic and feasible approach for the time being.

- **Embedding the EUSDR in 2014-2020 programming**

PAC 10 has been active in raising awareness about the need to integrate EUSDR topics and stakeholders (e.g. the civil society) in the programming of future programmes, and will continue to do so (see Annex 5 – position paper "Embedding the EUSDR and its stakeholders in the programming of Structural Funds 2014-2020"). The "no new money" principle requires bundling and alignment of funding. It will be essential that Partnership Agreements and Operational Programmes take the EUSDR, its objectives and actions into account, otherwise we risk that EUSDR projects have difficulties to be financed in the next period as well, despite the presence of funding in the region.

1.2. Process

The governance of PA 10 is ensured by the 2 PACs, located in Vienna and Ljubljana, supported by a Steering Group and four Working Groups. After the establishment of the governance structure and of related processes, following progress has been achieved since July 2012.

1.2.1. Priority Area Coordination

The coordination office in Vienna was reinforced in autumn 2012: a dedicated PA secretariat was established, including recruitment of a part-time assistant. This enables PAC 10 to implement more actions in-house, rather than to rest on external service providers. External support is still needed, mainly for the implementation of the two pilot actions, the Danube Financing Dialogue and the Technical Assistance Facility for Danube Region Projects.

We would like to point out the excellent cooperation between the 2 PACs, as well as the high commitment on behalf of the City of Vienna and the Centre of Excellence in Finance of Slovenia. It is essential to underline that such commitment is not only political but is also concretely translated into actions, such as the allocation of staff and financial resources, and the setup of a dedicated secretariat in Vienna.

1.2.2. Steering and Working Groups

- **Steering Group**

Since last year, 2 Steering Group meetings were organised, which amounts to 4 meetings since the start of the Strategy implementation.

- **Vienna meeting, 5-6.12.2012**: The attendance level was very high with 12 out of 14 countries. Besides discussion of the strategic re-orientation of PA 10 activities, a state of play report on national needs and actions was produced based on the contributions received from SG members. It shows in particular the need to reinforce awareness-raising and communication of the EUSDR in the Danube region countries.

- **Ljubljana meeting, 21.05.2013**: 10 countries were represented, which is a solid turn out. A core group of Danube Region countries has been very active since the beginning, while other countries have been rather passive and not so interested. This trend is being confirmed over time. The meeting was the occasion to review the work of working groups in the light of the new orientation of the PA 10. The Steering Group discussed the Strategy's integration in the new Operational programmes in the 2014-2020 multiannual financial framework. The Steering Group members also reviewed the TAF-DRP initiative and their role in the process of PA 10 project selection.

Interest and participation in PA 10 activities seems to be of interest for a large majority of countries and stakeholders, as shown e.g. by the relatively high level of attendance in SG meetings so far. PA 10, when needed, covers travel costs of non-EU members. The main challenge is to keep such **momentum** on a long-term basis, to deal with turn-over and to **engage members in-between the meetings** as well (e.g. feedback to documents, provision of information to PAC 10 on requested topics, etc.).

- **Working Groups**

The four PA 10 Working Groups were established at the beginning of 2012 (first meeting January 2012), based on designation of members by the Steering Group members. Working Groups work on the main topics addressed by PA 10, namely capacity building (WG 1), civil society (WG 2), regional cooperation (WG 3) and financing (WG 4). The second edition of working group meetings, originally planned for the autumn 2012, were postponed to March 2013, so that the new orientation paper/roadmap of PA 10 for 2013-2014 could be discussed and endorsed. The other reason was the large number of meetings and events already happening in autumn 2012 throughout the Danube Region.

The second meetings of Working Groups 1, 2 and 3 took place on 21-23 March 2013. In the scope of the Working Group 4 (financing) a first joint workshop/meeting of EUSDR Priority Area Coordinators and Danube Programme Task Force was organised on 21 May by PA 10 Slovenia. Due to the weak ownership as well as a need for developing institutional capacity in the area of financing issues related to the Strategy implementation, the WG4 will continue to function as a platform facilitating dialogue and knowledge exchange within the Strategy.

➔ See results of the Working Group meetings on http://groupspaces.com/CapacityandCooperation/

The 2 working Groups coordinated by PAC 10 Vienna (2 and 3) met together, to generate synergies and to foster exchange between stakeholders (see photo). The next meetings will take place in September 2013. Keeping in mind the need to limit the number of meetings, the difficulty for some members/countries to travel and the role of the Working Groups (to be engaged in the implementation and information/communication of the relevant topics in the respective countries and to support Steering Group members), synergies and efficiency are needed. Working Group 2 for instance will meet in Ruse in September, back to back with the stakeholders´ conference of the civil society forum in the Danube Region.

Conclusions: At this stage some members take a rather passive role while others are very active, some countries are well represented and others not. To address this, PAC 10 cooperates with active members who have the capacity to implement actions (e.g. in WG 2, with the example of the Civil Society Platform), while keeping all members equally and regularly informed. The existence of Working Groups is not questioned at this stage, but one has to be aware that their role and function must be adjusted to reality.

1.2.3. Links with projects from other Priority Areas

Most of the actions addressed by PA 10 are of horizontal nature and also relate to one or more other priority areas. Several examples can be provided:

- Involvement of the Civil Society: PAC 10 contacted all PACs in October 2012 to establish a list of Civil Society Organisations from the Danube Region relevant to their thematic areas. Despite a low response rate, this step was useful for PAC 10 to establish the online platform of the Civil Society, which is in preparation.

- TAF-DRP: With the TAF-DRP, PAC 10 has established a targeted and operational network of all PACs. The Facility foresees support to project ideas from all Priority Areas. PACs have a central role in the pre-selection of project ideas to receive support, and they will also be involved in the monitoring of the Facility. PAC 10 will seek a thematic balance between selected ideas, so that projects from all priority areas can be developed.

- PAC 10 Vienna holds a regular and intensive cooperation and coordination with other PACs located in Austria, regarding general EUSDR matters as well a project-specific coordination. PAC 10 Vienna also cooperates regularly with PAC 8 (Baden-Württemberg), for instance by participating in the Monitoring Committee for the socio-economic study organised by PAC 8.

- PAC 10 is developing a promising network of UNESCO world heritage sites throughout the Danube Region, in close cooperation with Priority Areas 3 and 9 and the UNESCO. See details in section 2.

1.2.4. Networks

PAC 10 has initiated new cooperations, for instance:

- Cooperation between the Diplomatic Academy in Vienna and the Diplomatic Institute in Bucharest, initiated in April 2013.

- Cooperation with important partners in Romania (esp. Romanian NCP and City of Bucharest) and in Serbia (national level, City of Belgrade, National Bank of Serbia, etc.).

- Cooperation with the Romanian Foundation for ecological and sustainable development (www.giedd.ro). PAC 10 Kurt Puchinger provided a written contribution on the role of leadership and civil society participation for the Cernadova Forum on Clean energy, green energy, 14.06.2013.

Also cooperation with existing networks was strengthened during the reporting period on the topics addressed by PA 10:

- **Financing**: cooperation with respectively the National Banks of Serbia and Romania for the preparation of the Second and Third Danube Financing Dialogues. Working meetings took place with Head of the Vienna Office of the European Investment Bank, in particular regarding potential cooperation with the Danube Contact Point in Budapest.

- **Programming**: PAC 10 provides concrete support to the preparation of the upcoming transnational "Danube Programme". PAC 10 Slovenia hosted the joint meeting of Danube Programme Task Force and Priority Area Coordinators on 21 May 2013, Slovenia, facilitated by INTERACT.

- **Cooperation between cities**: Council of Danube Cities and Regions (COCDR), ARGE Donauländer, Austrian Federation of Cities (Städtebund): cooperation in order to establish a Network of Danube Cities and Metropolitan Areas, with a kick-off conference planned for December 2013.

- **Capacity Building**: meetings and networking with public and specialized training institutions from the Danube region, such as Euro Institut (Kiel), ReSPA - Regional School of Public Administration (Danilovgrad), UNDP Europe and CIS (Bratislava), NISPACee.
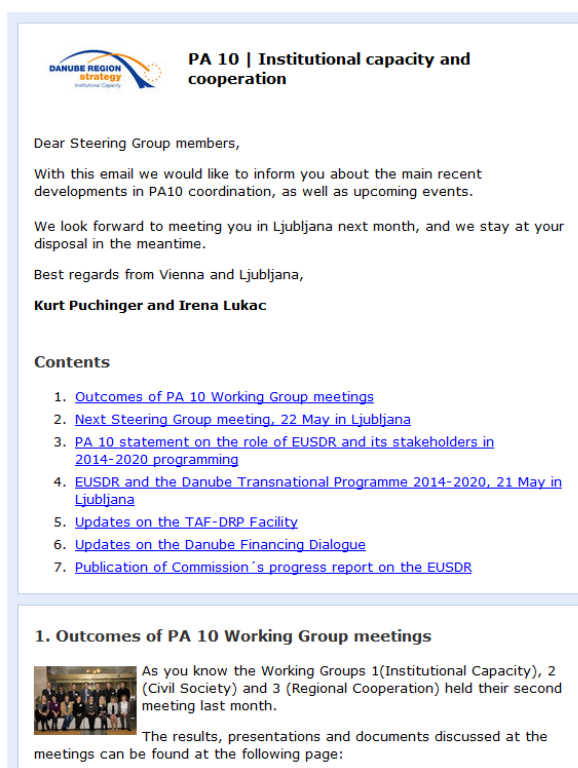
- **Civil Society**: Cooperation with the European Economic and Social Committee has been continued and PAC 10 is proposing to initiate a Danube Group at the EESC, with the support of the European Commission. PAC 10 participated in Roma-related network and exchange meetings and presented the EUSDR on these occasions.

    ➔ See <u>Annex 4 - list of events and meetings organised or attended by PAC 10 in the reporting period</u>

1.2.5. Publicity measures

- **Events:** At the Annual Forum of November 2012 in Regensburg PAC 10 co-organised, together with DG Regional Policy and INTERACT, one of the 6 workshops, „Modern Danube Governance: How to make the Region work?". It was by far the most attended and provided visibility to the actions developed so far.

- **Web**: PA 10 uses its website as the main communication instrument towards the general public and EUSDR stakeholders. Information relating to the activities of PA 10 (e.g. Danube Financing Dialogue, launch of the TAF-DRP Facility, etc.) as well as news and events submitted by external stakeholders for publication (e.g. Donauhanse project) are published. The website now features a new dedicated section on the TAF-DRP.

- **Newsflash**: Responding to the needs of the Steering Group members, to be kept informed about developments and activities of the working groups, a newsflash was sent to the Steering Group in May 2013; such mailings will be sent out on an ad hoc basis in future as well.

- **Media monitoring**: PAC 10 receives a monthly press review provided by the agency Compress, which provides a print media coverage of the Danube Region. In this regard, several interviews of PAC 10 Kurt Puchinger were published in regional or national newspapers, which is essential to reach out to a broad audience and raise awareness about the EUSDR in general.

1.2.6. Challenges and next steps

As last year, the main issue regarding the Steering and Working Groups concerns the lack of ownership of the strategy at national or regional level. This is characterised in different ways: limited participation in meetings, limited or absence of feedback to documents and/or requests for information, limited capacity to provide an official position in meetings, members' turn-over. These aspects have been more or less acute, and some countries are less hindered than others.

1.3. Funding

As we are in a transition phase between 2007-2013 and 2014-2020, there are no new funding opportunities in the field of EU/Structural Funds to be reported. Several initiatives of PA 10 could not be financed, such as a feasibility study on civil society, a training project for project promoters from civil society organisations (with University of Burgenland, Austria) or the Danube Managers projects. However, the EUSDR does not solely rely on Structural Funds, and for this reason PA 10 has been very active in the actions below:

- **Capacity support**: PAC 10 Slovenia organised a workshop "From project design to implementation"", in July 2012 in Ljubljana. The workshop addressed project facilitation and financing challenges faced by EUSDR stakeholders and exchanged experiences developing projects from the idea stage through to implementation with the Western Balkans Investment Framework.

- **Danube Financing Dialogue**: this initiative addresses specific funding needs of SMEs and funding possibilities outside Structural Funds (international financing institutions).

- **EIB**: PAC 10 is in contact with the European Investment Bank and the Budapest "Danube Contact Point", and a small project fund cooperation project is now in reflection. Networking with the Western Balkans Investment Framework – IFI Coordination Office, Slovenian Ministry of Finance and Management Authority is also taking place.

- **Technical Assistance Facility for Danube Region Projects**: this initiative should help project promoters to identify possible funding sources and financing options for their project ideas, within but also outside of Structural Funds.

The availability of such supporting tools and actions throughout the programming period would certainly be of great value to increase project quality and absorption of available funding.

2. PROGRESS BY TARGET

As reported last year, there were two confirmed targets for PA 10 in the EUSDR Action Plan : (1) Maximum 4 weeks for business start-up permissions by 2015, and (2) Establishing benchmarks for e-government and reducing excessive bureaucracy by 2012.

However, only three Actions out of nine could be linked to the two targets. Therefore, the PA 10 Steering Group adopted three additional targets that were linked to Actions.

See also Annex 1 - updated Roadmap of Actions and Milestones on the nine Actions for 2013-2015, adopted by PA 10 Steering Group. The roadmap does not indicate project lists, as there is no change to be reported from last year on this matter.

Progress in the implementation of actions – by targets:

2.1. Target: Maximum 4 weeks for business start-up permissions by 2015

Action 1 "To Combat Institutional Capacity and Public Service Related"

Milestone 1: Identify stakeholders

One of the ways to step up institutional capacity is through training, knowledge sharing and exchanging of experiences that are typically carried out by public administration and specialized training institutions. Additional stakeholders have been identified utilizing networks, WG meetings and referrals. Since 2012, 5 additional members have joined WG 1 "institutional capacity" that currently comprises 21 members from 11 Danube region countries and 3 international organizations. In 2011 those members were responsible for building capacities of over 70.000 public officials on local and central government levels.

Milestone 2: Identify areas of institutional capacity needs / gaps in the Danube region

Due to different economic, social and other factors, the Danube region countries have achieved very different levels of institutional capacity and therefore also needs. Areas of particular attention for institutional capacity were broadly identified.

Milestone 3: Paper "Institutional Capacity Development through Implementation of the EUSDR"

The paper was written for the purposes of the 2012 NESPACee Annual conference by PAC 10 Slovenia.

Milestone 4: Event / workshop "EUSDR Project Facilitation and Exchange of Experiences"

The workshop was organized by PAC 10 Slovenia on 5-6 July 2012. The workshop addressed project facilitation and financing challenges faced by EUSDR stakeholders. Case studies of how to develop and mature projects from the idea stage through to implementation of the Western Balkans Investment Framework (WBIF) and how WBIF seeks to identify and support those projects with the most value added were also presented and discussed. More than 20 PACs and their support team participated.

In light of the reorientation of the PA 10 work, the milestones 6-7 that were determined by the WG1 in 2012, were amended, as follows:

Milestone 5: Perform institutional capacity needs assessment in the Danube region; prioritize needs based on a common interest and existing initiatives in the Danube region.

Areas of particular attention for institutional capacity were broadly identified (see Milestone 2). The WG1 members participated at a workshop by UNDP on needs assessment methodologies and latest trends. Follow-up work will be done in the course of 2013.

Milestone 6: Share and develop concrete training programs

This concerns e.g. procurement, train the trainer workshops, as well as other areas of institutional capacity development (e-government solutions, promotion of democracy, public financial management). It was agreed that projects will be concrete and based upon methodological capacity needs assessment and existing initiatives in which the PA 10 stakeholders have interest to cooperate.

2.2. Target "Establishing benchmarks for e-government and reducing excessive bureaucracy by 2012"

Action 4 "To ensure sufficient information flow and exchange at all levels"

Milestone 1: Establish an Open-Government platform concerning EUSDR issues

PA 10 has identified existing initiatives and forums for regional cooperation, and participates in some of them (e.g. Steinbeis Foundation). Cooperation with the European Economic and Social Committee (EESC) and the proposed setup of a Danube Group is an ongoing process, and PAC 10 contacted DG Regio to get support in initiating such institutional cooperation between the EESC and the EUSDR.

Regarding the specific topic of e-government, PAC 10 presented the Austrian initiative on e-government "help.gv" at the meeting of Working Groups 2-3 in March 2013 and at the Steering Group meeting in May 2013, in order to promote such initiative in other EUSDR countries. Baden-Württemberg, Bavaria and Slovenia are interested in participating in this pilot project.

Milestone 2: Wide public awareness campaign of the European Strategy for the Danube Region (EUSDR)

Active participation of PA 10 in various events and meetings, as well as the co-organisation of a workshop at the annual forum of the EUSDR in Regensburg, November 2012, has increased awareness of the EUSDR and of PA 10 among stakeholders (EU institutions, NGOs, foundations, financing organisations, national banks etc.). Participation in national events and meetings in Austria and Slovenia are also important. See also section 1.2.5. A wide public awareness campaign would be welcome.

Milestone 3: Gather project examples in a project database using an online tool

The project database is still available on Sharepoint, a tool developed in 2011 for this purpose. No new projects have been added since the last reporting period. The updated data on planned projects and projects in preparation, collected in May 2013, is attached to this report (Annex 2). As indicated above, such collection is not a high priority for the time being but this will change with the start of the new programming period.

Action 5 "To facilitate the administrative cooperation of communities living in border regions" [2]

Milestone 4: Elaborate a feasibility study prior to the project "Establishment of the efficient cross-border cooperation model(s) on different levels"

PAC 10 is collecting information on existing cross-border cooperation projects and initiatives from the INTERACT KEEP database, which is the main source of information on the topic. The data available so far is not comprehensive but will be a useful basis (See Annex 6: Projects in the field of cross-border local governance).

At the meeting of Working Groups 2 and 3 in March 2013, a proposal was made to organise a stakeholder conference in Spring 2014 in Komarno/Komaron (SK-HU border) to raise awareness about cross-border cooperation issues among political stakeholders. The proposal was sent to WG 2-3 members after the meeting, and no feedback has been received so far.

---

[2] *It is not possible to associate this Action with any of the mentioned targets.*

2.3. Target "Establishing a platform including Civil Society Organisations and open governance networks by 2013"

Action 2 "To improve the trust of citizens and stakeholders in political authorities"

Milestone 1: Building the TransCity Network for Public Relations for EUSDR Issues

PAC 10 Vienna is supporting initiatives taking place in the Danube Region. In particular PAC 10 participated in the Conference "Start me up - Communication and Mobilisation for the Danube Region Strategy", held at the European Conference of Danube Cities and Regions on 24-25 September 2012 in Vienna.

PAC 10 Vienna also participated in the workshop "Enhancing communication within and for the Danube Region" on 24 June 2013 and is supporting such cooperation initiative.

Milestone 2 –To develop common ground rules for the future of Danube Region cities (new)

Based on the success of the "Vienna Charter", a local participatory initiative which provides a framework for good neighbourly relations, actively promotes the dialogue between the citizens and builds solidarity, PAC 10 has started to promote and export this initiative in other Danube cities, under the motto "Vienna Charter goes Danube". PAC 10 presented the Charter to its working and Steering groups, and Bratislava, Sofia and other Bulgarian cities are already interested. The initiative will be publicised at a high-level meeting on 9th of September 2013 in Vienna. See Annex 7.

Action 3 "To establish a Danube Civil Society Platform[3]"

Milestone 3: Elaborating a feasibility study prior to the establishment of the Danube Civil Society Forum

Due to the lack of funding available for such feasibility study, PAC 10 has taken further steps towards establishing such platform, both online and as a network. Working Group 2 of PA 10 endorsed the approach and will act as Monitoring Committee for the Platform. For this, the WG 2 will meet in September in Ruse. One of the Working Group 2 members, FosterEurope, has offered to provide the online tool and to open access, free of charge, to all civil society organisations of the Danube Region. This tool and the network, which is facilitated by PAC 10 Vienna, will be presented at the Second EUSDR Annual Forum in Bucharest, October 2013, at one of the workshops of the Forum. For details, see Annex 8 "Embedding the Civil Society in the EUSDR – PA 10 Roadmap 2013".

Milestone 4: Institutionally and financially strengthening the already existing Young Citizens Danube Network (YCDN)

This milestone will be implemented together with the creation of the civil society platform for the Danube Region, where the YCDN will be involved in project cooperation.

---

[3] *The word Forum was renamed Platform, in order to differentiate from the "Danube Civil Society Forum - DCSF" initiative of Foster Europe.*

2.4. Target "Facilitate a network of metropolitan areas and systems of cities by 2014"

Action 6 "To build Metropolitan Regions in the Danube Region"

Milestone 1: Establish a network of Danube Cities and Metropolitan Regions (renamed)

Based on a feasibility assessment, it was decided to intensify cooperation with existing networks and initiatives in the Danube Regions: the Council of Danube Cities and Regions, the ARGE Donauländer and the Network Donauhanse. As next step, the existing e-platform of Donauhanse will be expanded and the networks of CODCR and ARGE Donauländer will be enlarged to cover cities of the Danube Regions which are not located on the Danube river. A stakeholders´ conference will be designed by PAC 10, and will take place on 9-10.12.2013 in Vienna, to present the enlarged network. See Annex 9 for details.

Milestone 2: Establish a Danube Region Network of UNESCO world heritage sites

PAC 10 is developing a promising network of UNESCO world heritage sites throughout the Danube Region, in close cooperation with Priority Areas 3 and 9 and the UNESCO. The Steering Group of PA3 has already validated their support. The UNESCO itself has also confirmed its support to the initiative. The idea is to restore sites, while providing training opportunities to the persons involved in the restoration works, and then to jointly promote the restored sites. The project will be an example of cooperation between Priority Areas 3, 9, 10 and possibly 7, who will work together to enhance micro-economic and social development. A feasibility study will be started jointly with PA 9 in September 2013, looking at micro-regional labour market and qualification strategies in connection with UNESCO sites. For details, see Annex 10 for details.

2.5. Target 5: "Establish a Danube Financing Platform by 2013

Action 7 "To review bottlenecks relating to low absorption rate of EU funds and to ensure better coordination of funding"

Milestone 1: Review bottlenecks in EU funds absorption
One of the challenges addressed by the European Union (EU) Strategy for the Danube Region is low absorption of EU funds. Even though there is a large variation among EU member countries, candidates, potential candidates, and European neighborhood policy countries, the absorption of EU funds is overall disappointing (below 10 % in some countries). The WG reflected on the reasons, such as operational, administrative, problems related to transparency and corruption etc. Important constraints in using EU funds originate also in insufficient administrative capacity and inadequate knowledge of how to prepare and implement projects.

Milestone 2: Event / workshop "EUSDR Project Facilitation and Exchange of Experiences"

Workshop was organized by PAC 10 Slovenia from 5-6 July 2012. The workshop addressed project facilitation and financing challenges faced by EUSDR stakeholders. Case studies of how to develop and mature projects from the idea stage through to implementation of the Western Balkans Investment Framework (WBIF) and how WBIF seeks to identify and support those projects with the most value added were also presented and discussed. More than 20 PACs and their support team participated.

Milestone 3: Identify ways to ensure better coordination of funding

The programming of a new Danube transnational programme has begun in spring 2013. PAC 10 Slovenia hosted the joint meeting of Danube Programme Task Force and Priority Area Coordinators on 21 May 2013, Slovenia. It was a first meeting where PACs and Task Force members where it was discussed where

the goals of the EUSDR and the priorities of the future Danube Transnational Programme could be integrated.

Action 8: "To support the development of local financial products for businesses and community development".

Milestone 4: Review available financial products for SME's in local communities

Economic development policies are usually nationally driven. Countries and regions create and implement strategies that correspond to their economic goals and disparities they want to bridge by implementing those policies. Banking sector plays an important part – either by complementing government business support initiatives (e.g. soft loans, grants) or adjusting their lending policies to meet the market demand. However, the extended financial crisis and pressures it brought on the banking sector has caused an extended credit crunch where governments have been quite ineffective to influencing banks loan policies. Therefore, it is also unrealistic to expect that the Danube strategy will support the development of local financial products but can review various initiatives in the region and study their impact.

Action 9: "To examine the feasibility of a Danube Investment Framework"

Milestone 5: To establish a matchmaking platform bringing together project promoters and financiers

After the first edition of the Danube Financing Dialogue held in Vienna in March 2012, the second edition was organised on 24-25.01.2013 in Belgrade and hosted by the National Bank of Serbia. The 2nd Danube Financing Dialogue was attended by approx. 230 participants (80 EUSDR stakeholders, 110 project promoters 40 financial institutions). The third edition is in preparation and will take place in Bucharest, back-to-back with the 2013 Annual Forum of the EUSDR. See more details in section 1.1 and http://groupspaces.com/CapacityandCooperation/pages/2nd-danube-financing-dialogue .

Milestone 6 (new): To develop and implement a Technical Assistance Facility for Danube Region Projects (TAF-DRP)

The first call of the TAF-DRP Facility was launched by PAC 10 on 24 May 2013 – it will remain opened until 10th of September. All Priority Area Coordinators are closely associated to this pilot action, as they are in charge of the pre-selection of project ideas from their respective area, and they will also be associated to the monitoring of the Facility. PAC 10 organised 2 information and training sessions for all PACs. See more details in section 1.1 and on
http://groupspaces.com/CapacityandCooperation/pages/technical_assistance_facility-drp .