



EUSDR EMBEDDING – FROM WORDS TO ACTION!

Discussion Paper

February 2021

More than a year has passed since the discussion on the *Guidance Paper for Embedding of the EU Strategy for the Danube Region (EUSDR) into EU Programmes*¹ at the meeting of EUSDR National Coordinators in November 2019 in Zagreb. With the support of the EUSDR National Coordinators and the Danube Strategy Point, the *Task Force Embedding (EMB-DR)* has been set up to coordinate the activities of EUSDR stakeholders for integrating the Strategy efficiently and effectively into the European Structural and Investment Funds in the 2021-2027 programming period.

From the very beginning, it was clear that the revised EUSDR Action Plan² would play a key role in the embedding process. However, during the first two EMB-DR meetings in January and February 2020, it became obvious that the revised EUSDR Action Plan (with over 85 actions) would be difficult to use in the embedding process due to its wide scope. Therefore, in April 2020, the Priority Area Coordinators and their Steering Groups were asked to draw up, on the basis of the EUSDR Action Plan, a shortlist of three strategic topics, based on a common denominator, for each Priority Area to be included in the relevant national/regional operational programmes. The result is 36 actions (shortlisted topics), endorsed by National Coordinators (NCs), that should become the subject of the embedding itself at national/regional level. As part of raising awareness on national level, NCs were asked to convene meetings in their countries as soon as possible with the managing authorities (MAs) responsible for the strategic planning and programming of the ESI/IPA/NDICI funds and other relevant stakeholders.

In the course of the process, so far, the following relevant supporting documents for the embedding were prepared:

- *Embedding tool*³ - It supported PACs in the selection of strategic topics (shortlist). It is used by NCs when approaching managing authorities. It is provided to authorities responsible for the strategic planning and programming of the ESI/IPA III/NDICI funds.
- *Sources for embedding*⁴ - A compilation of funding instrument sources according to CPR Proposal of the European Commission as of May 2018 (COM(2018) 375) et al.
- *EMBEDDING in a nutshell with the EUSDR EMBEDDING MA LEAFLET*⁵ - A comprehensive and compact summary of EUSDR Embedding for representatives of managing/programming authorities, NCs, PACs and other stakeholders working on EUSDR Embedding into EU programmes for the period 2021 – 2027.

It is obvious, that in the coming months the focus of embedding activities will shift to the national level. This is because the decisive role in the incorporation of the Danube Strategy into EU financial

¹ https://danube-region.eu/wp-content/uploads/2020/11/Guidance-Paper_EUSDR-embedding-process_04.2020_final.pdf

² <https://danube-region.eu/wp-content/uploads/2020/04/EUSDR-ACTION-PLAN-SWD202059-final-1.pdf>

³ https://danube-region.eu/wp-content/uploads/2020/11/Annex-1a-EUSDR_Actions_funding_sources_post_2020_tool_shortlist_consolidated-draft_09.2020.xlsx

⁴ https://danube-region.eu/wp-content/uploads/2020/11/Annex-1b-Sources-for-content-of-funding-instruments_updated-09.2020.pdf

⁵ https://danube-region.eu/wp-content/uploads/2020/11/EUSDR-EMBEDDING_MA-leaflet.pdf



instruments will primarily be played by the national institutions responsible for the overall coordination of EU Funds in the Danube Region participating states, precisely **programming and managing authorities of national mainstream and cross-border programmes as well as National IPA Coordinators (NIPACs) and National Aid Coordinators**. The Interreg cross-border cooperation (CBC) programmes unlike transnational programmes, will have crucial funding at their disposal. The subsequent Interreg Danube Transnational Programme, DTP2, will also play an important role, in the area of governance of the Danube Strategy (support for Priority Area Coordinators, Danube Strategy Point and support for the preparation of Strategy-relevant projects). However, this does not mean that other bodies of the Danube Strategy (especially the meetings of the National Coordinators and the European Commission) should play a marginal role in this respect. On the contrary, their coordinating and guiding role will remain irreplaceable and should be strengthened in the future.

This paper outlines **potential tools** which can be utilised by managing authorities to incorporate the EUSDR objectives into their actions. Managing authorities are advised to select those tools which are the most appropriate from the point of their processes and national legislation. Having this in mind, concrete embedding activities in the near future can be developed in the following directions:

1. **Incorporation of the objectives of the Danube Strategy expressed in the form of 36 shortlisted topics into Partnership Agreements and operational programmes** (mainstream and cross-border ones) to ensure that the priorities and objectives of these programmes are in line with the EUSDR Action Plan;
2. **Implementation of synchronised calls**, where several calls are announced in parallel in several countries, each partner country applying their own rules and funding from their existing programmes, but the focus of the calls, the activities to be supported, the time of the call as well as the duration of projects are similar for all countries of the synchronised call.
3. **Implementation of activities contributing to the EUSDR objectives outside of a Member State**, including outside the EU, provided that the operation contributes to the objective of a particular programme and the EUSDR.
4. **National synergy-capitalisation calls** to support the results of transnational cooperation projects and the EU Strategy for the Danube Region
5. **Seed Money Facility** to fund the projects with strategic importance to the EUSDR

1. Incorporation of the objectives of the Danube Strategy into Partnership Agreements and mainstream and cross-border operational programmes should become a crucial tool for embedding. Cooperation between the programming and managing authorities (EU and non-EU likewise) and the EUSDR National Coordinators will be crucial to achieve a meaningful integration of the Strategy's objectives into the above-mentioned programmes. The National Coordinators are to initiate formal and informal negotiations with the managing authorities and provide them with the necessary synergies, information and expertise. As part of embedding at national level, it will be useful to make comparison between the proposed priorities and objectives of individual programmes and the 36 shortlisted topics based on the EUSDR Action Plan and to evaluate corresponding overlapping. The same could be done for Interreg CBC programmes, where the situation may seem to be a bit more complicated, as there are two countries involved on the programme side, but with a proactive and cooperative approach, this bottleneck can be easily overcome.

Once the objectives of the EUSDR Action Plan have been incorporated (based on 36 shortlisted topics), there will be nothing in the implementation phase to prevent managing authorities at the national level from **announcing specialised calls** aimed at implementing the objectives of the Danube Strategy.



2. Implementation of synchronised calls are a specific type of specialised call that require close cooperation and coordination between two or more managing authorities from two or more partner countries. The precondition is the incorporation of the objectives of the Strategy into the operational programmes as described above. The main goal is to overcome the central disproportion between the transnational nature of the Danube Strategy (this applies to EU macro-regional strategies in general) and the national nature of mainstream programmes. Experience from previous programming periods shows that the managing authorities of mainstream programmes find it very difficult to overcome their geographical and thematic constraints.

Also, in this case, in order to overcome these constraints, it will be necessary for the National Coordinators to initiate negotiations with the relevant managing authorities or with the institutions responsible for coordinating the programming process, in the individual partner countries. It is also essential that the relevant programming documents at national level provide for the possibility of announcing a synchronised call, i.e. include provisions defining synchronised calls and their procedure. Several managing authorities can participate in synchronised calls for one EUSDR participating state.

The synchronised call itself will take place in such a way that, based on the agreement of several managing authorities, the thematic focus, conditions, types of activities, duration of the call and duration of projects will be developed. An initial initiative by one managing authority is envisaged, addressing MAs in other countries with the idea of synchronised calls. This managing authority will act as a coordinating body and administrative centre (secretariat) for the duration of the calls. In each country, the call will take place in accordance with the rules of the relevant operational programme. In order to maximise the synergy and complementary effect of the synchronised calls, it is recommended to set up **a transnational evaluation committee** to assess the submitted projects and recommend to the managing authorities which projects to approve, without MAs being formally bound by its recommendations.

This should result in projects adopted at the national level, which, however, will jointly contribute synergistically to the specific objective of the EUSDR Action Plan.

In order to provide overall transnational support for the embedding process, in particular as regards synchronised calls, it is necessary to set up formal and informal networks of managing authorities, which will allow communication and coordination of individual steps as well as the exchange of knowledge and experience.

Synchronised calls offer the partner states involved to select those priorities from the shortlisted topics of the EUSDR Action Plan which are the most relevant for them. As it is not expected that a single synchronised call will involve managing authorities from all 14 Danube region countries, this tool and the Strategy provide a framework to focus on the most important issues addressed by participating countries.

3. Article 57(4) of the draft Common Provisions Regulation (CPR) for the 2021-2027 period lays down the possibility for the managing authorities to decide on **certain activities to be implemented outside the territory of such a state, including outside the EU**. That means the operations (projects) funded by the mainstream operational programme on the national level will have the opportunity to go beyond the national borders. This can add a transnational element to nationally funded projects and overcome the national nature of projects funded from the mainstream programmes mentioned above. In this way it will be possible to fund projects with a transnational element contributing to the EUSDR from mainstream programmes.



It is important that this provision of the draft Common Provisions Regulations (CPR) allows for a possibility **to fund activities in non-EU countries** which is an important factor to promote involvement of these countries in further European integration. Involvement of non-EU countries is important not only from the EUSDR point of view, but it plays a crucial role also from the point of view of building a European stability.

In order to proceed in practical implementation of Article 57(4), the National Coordinators will again have to negotiate with relevant managing authorities in early stages of programming and implementation. Along with that it will be equally important that managing authorities start discussions and negotiations to achieve an agreement on practical conditions to implement Article 57(4).

We are convinced that the proposed procedures have a realistic precondition to contribute to effective embedding at the national or regional levels.

4. National synergy-capitalisation calls should be organised at the level of national mainstream programmes to support the results of transnational cooperation projects and the EU Strategy for the Danube Region.

The principle of this synergy lies in the fact that in the past programming period a number of projects were implemented in the transnational cooperation programmes, which resulted in interesting innovative solutions, procedures, plans and strategies. At the same time, many of these projects declared that their activities contributed to the fulfilment of the objectives of the EUSDR, which in the case of Danube Transnational Programme projects also meant an increase in their scoring. However, the nature of transnational cooperation programmes does not allow the projects to involve larger-scale investment activities, resulting sometimes in innovative solutions remaining at the stage of developed proposals.

This problem could be solved by **approving and implementing projects at the national level in a specialised call of relevant mainstream programmes, based on the results of transnational cooperation projects with a contribution to the EUSDR**. This would, among other things, make it possible to carry out investment activities focused on the EUSDR that could not be carried out in the framework of transnational cooperation projects.

This concept envisages the implementation of synchronisation-capitalization calls with contribution to the EUSDR in mainstream programmes, but it can be applied analogously to similar calls announced in **cross-border cooperation programmes** in the programming period 2021-2027. Cross-border programmes, like mainstream programmes, enable to finance projects with an investment element to make its contribution to the EUSDR more visible. Although their financial envelope is not as large as in the case of mainstream programmes, given the common rules of the European Territorial Cooperation objective, it would be a mistake not to exploit the potential for further development of transnational projects in cross-border cooperation and to contribute to the implementation of the EUSDR objectives.

5. Seed Money Facility will be a financial instrument of the Danube Transnational Programme to support the preparation of projects strategic from the point of view of the EUSDR. As it has been mentioned in the EUSDR support input paper prepared by the DTP, SMF in the 2014-2020 period showed weak linkage to other funding instruments than the DTP itself. If SMF is to be a more result-oriented instrument we should explore how to better link SMF with financial instruments (mainstream and cross-border) which should be better used to fund the implementation of projects prepared with the support of SMF. This will be a crucial for effective use of this relatively small financial instrument.



To do so, National Coordinators should negotiate with managing authorities of mainstream and cross-border programmes how to coordinate the efforts and steps so that projects supported from SMF have better chance to receive financial support from these programmes.