



ANNEX I to the EUSDR Implementation Report 2020-2021

Embedding the EUSDR into EU Funds and Funding Programmes 2021-2027

Outcomes of the Programming Phase

Final Report, December 2022



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Abbreviations

CEF	Connecting Europe Facility
CF	Cohesion Fund
DTP	Danube Transnational Programme
EAFRD	European Agricultural Fund for Rural Development
EaSI	Employment and Social Innovation
EC	European Commission
EMFAF	European Maritime, Fisheries and Aquaculture Fund
ERDF	European Regional Development Fund
ESF	European Social Fund
ESIF	European Structural and Investment Funds
ETC	European Territorial Cooperation
EUSDR	EU Strategy for the Danube Region
IPA	Instrument for Pre-accession Assistance
JTF	Just Transition Fund
MA	Managing Authority
MRS	Macro-regional strategy
NC	EUSDR National Coordinator
NDICI	Neighbourhood, Development and International Cooperation Instrument
OP	Operational Programme
PAC	EUSDR Priority Area Coordinator
SMP	Single Market Programme
SO	Specific Objective

1. Introduction

As outlined in the Guidance Paper ‘From Actions to Funding’ published by the Ukrainian EUSDR Presidency in May 2022¹, the overall aim of monitoring the outcomes of the embedding process is to depict how EU funds and funding programmes contribute to the achievement of the EUSDR’s objectives. It allows to compare actual achievements to planned measures, identify good practice examples and show bottlenecks in the translation of the EUSDR and its Actions into EU funded programmes (EU and non-EU). Thereby it can show where further work may be necessary and improve the process to get better results in the future implementation.

Due to its complexity, monitoring the embedding process is a challenging task, where several factors like different approaches from Strategy level and programme level, different structures and legal frameworks in the 14 EUSDR member states (central and federal, EU and non-EU) and stakeholders conducting activities at different levels (regional, national, EU...) need to be taken into account. Even though it is for the EUSDR hardly possible to get a full coverage of data (i.e., all regional/national programmes, calls, projects etc.), through combining different approaches and information sources, the most important (strategic) processes and outcomes can be however covered. Both phases of embedding (programming and implementation phase) are relevant for the monitoring and require an own approach as well as contributions from different stakeholders. Further information on monitoring the programming as well as the implementation phase can be found in the consolidated paper published by the DSP in October 2021² and in the Guidance Paper ‘From Actions to Funding’ by the Ukrainian EUSDR Presidency 2022³.

The present report focuses on the programming phase and covers the years 2020 - 2022. It has to be noted, however, that as of November 2022, not all programmes are finalised yet, and that the programming process is guided by the European Commission. In the case of ERDF/CF and Interreg programmes, the EC/DG REGIO screens all (draft) operational programmes regarding the legal requirements (e.g. the consideration of MRS at the level of specific objectives). If MRS are not sufficiently embedded, the respective authorities responsible for planning and programming are asked by DG REGIO to clarify and provide more information. DG REGIO further confirmed to follow the call from the Council conclusions from 12/2020 to report on the embedding process. Several EUSDR member states highlighted that the role of the EC is crucial, being the central information hub, and requested a comprehensive report that can be incorporated into the system of the EUSDR.

The chapter 2 of this Annex gives an overview of relevant funding sources and available budget for EUSDR relevant objectives. In chapter 3, some examples of national/regional embedding efforts as well as first results, as reported by the EUSDR National Coordinators (NCs), are summarised. Finally, chapter 4 provides an overview of embedding activities at thematic level, as reported by the EUSDR Priority Area Coordinators (PACs). In addition, intense efforts towards embedding the EUSDR into national and regional EU-funded programmes were made at Strategy level, as illustrated in chapter 2.2 of the EUSDR Implementation Report 2020-2021. The Implementation Report provides an overview of the main tools and processes established, such as the shortlist of strategic topics, the EUSDR Embedding Tool or the establishment of managing/programming authorities’ networks. More detailed information and all mentioned documents and tools can be found on the [EUSDR website](#).

¹ Guidance Paper for Embedding the EUSDR into EU Programmes. FROM ACTIONS TO FUNDING. May 2022. [Online](#).

² Paper on Monitoring of Embedding the EUSDR into EU Funds and Funding Programmes 2021-2027. [Online](#).

³ Guidance Paper for Embedding the EUSDR into EU Programmes. FROM ACTIONS TO FUNDING. May 2022. [Online](#).

2. Available funding sources

The first step of the embedding process was to **identify funding sources that are thematically relevant for the EUSDR**. This includes the scanning of EU regulations, where the scopes and intervention fields of the respective funds are defined, and the analysis of the funds' objectives regarding their thematic relevance for the EUSDR and the PAs.

As outlined in the Implementation Report 2020-2021, the DSP identified possible funding instruments for the Actions of the EUSDR and elaborated the EUSDR '**Embedding Tool**'⁴ together with an accompanying **sources document**⁵. In this comprehensive matrix, for each action of the EUSDR Action Plan and the 'shortlisted strategic topics', possible funding instruments are suggested and links to the Annexes D of the Country Reports 2019 and 2020 (transnational, national and JTF perspective) are provided. The Embedding Tool comprises dedicated sections for EU (e.g., EU funds allocated to Cohesion Policy) and non-EU countries (IPA III and NDICI), following the principle of equal treatment of all EUSDR participating states. Important funds for the EUSDR are e.g., CF, ERDF, ESF+, IPA III, NDICI, AMIF, ISF, BMVI, etc., which are described in detail in the funding instrument sources document. The underlying document is the Common Provisions Regulation (CPR)⁶. The overview is further complemented by the contents of the single regulations of the shared managed EU programmes and the centrally managed EU programmes as well as IPA III and NDICI for non-EU countries and serves to improve the readability of the EUSDR Embedding Tool and to decipher the abbreviations therein. The listed budget corresponds to the sums applicable at the time the regulation entered into force. In addition, the document contains:

- General information of the EU funding programmes and instruments
- General objectives of the EU funding programmes and instruments
- Specific objectives of the EU funding programmes and instruments
- Scope/indicators/interventions/actions of the EU funding programmes and instruments

In spring 2021 the DSP conducted **surveys** among the managing authorities (MAs), programming authorities and National Coordinators (NCs) of the Danube Region on programming processes. Based on the results of these surveys, the DSP designed an overview on which **Specific Objectives are covered by national and Interreg programmes**⁷ in the Danube Region. The overview further displays the alignment of programmes' thematic priorities with the Actions and shortlisted strategic topics of the EUSDR.

In the following paragraphs, a selection of relevant funding instruments is briefly presented⁸.

European Regional Development Fund (ERDF)

The ERDF aims to strengthen economic, social and territorial cohesion in the European Union by correcting imbalances between its regions. In 2021-2027 it will enable investments in a smarter,

⁴ EUSDR Embedding Tool, Annex 1a to the Guidance Paper by the Croatian EUSDR Presidency, 2021. [Online](#).

⁵ EUSDR Embedding Tool, Annex 1b to the Guidance Paper by the Croatian EUSDR Presidency, 2021. [Online](#).

⁶ Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy. [Online](#).

⁷ Consolidated Overview of Embedding Surveys of EUSDR MAs/Programming Authorities (ERDF/CF & IPA/NDICI) and NCs. [Online](#). & Results of the survey conducted among ERDF/CF managing authorities and National Coordinators. [Online](#).

⁸ The list of financing sources provided here is not all-inclusive; in addition, national and regional programmes should be considered. Source: The ABC of macro-regional strategies, an EUSDR implementation tool kit.

greener, more connected and more social Europe that is closer to its citizens⁹. The total funds allocated for the 2021-2027 period is 215 million euros.

Cohesion Fund (CF)

The CF supports investments in the field of environment and trans-European networks in the area of transport infrastructure (TEN-T). For the 2021-2027 period, the Cohesion Fund covers Bulgaria, Czech Republic, Estonia, Greece, Croatia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Portugal, Romania, Slovakia and Slovenia. 37% of the overall financial allocation of the Cohesion Fund are expected to contribute to climate objectives.¹⁰ The total budget for the 2021-2027 period is 42.6 billion euros.

European Social Fund Plus (ESF+)

The ESF+ is the European Union (EU)'s main instrument for investing in people and supporting the implementation of the European Pillar of Social Rights. With a budget of almost 99.3 billion euros for the period 2021-2027, the ESF+ will continue to provide an important contribution to the EU's employment, social, education and skills policies, including structural reforms in these areas.¹¹

European Agricultural Fund for Rural Development (EAFRD)

The EAFRD is the funding instrument of the second pillar of the EU's Common Agricultural Policy (CAP). The total allocation amounts to 95.5 billion euros. This includes 8.1 billion euros from the Next Generation EU Recovery Instrument to help address the challenges posed by the COVID-19 pandemic.¹²

European Maritime, Fisheries and Aquaculture Fund (EMFAF)

The EMFAF provides support for developing innovative projects ensuring that aquatic and maritime resources are used sustainably. The EMFAF runs from 2021 to 2027 and supports the EU common fisheries policy (CFP), the EU maritime policy and the EU agenda for international ocean governance. The total budget is 6.108 billion euros.¹³

European Territorial Cooperation (ETC) – Interreg

Interreg is the EU's instrument to support cooperation across regions and countries. A new generation of Interreg programmes in and outside the EU will further develop joint services and strengthen solidarity. Interreg provides funding for projects between Member States, their outermost regions, the EU acceding countries and the neighbourhood countries. In 2021-2027, Interreg will continue to support cross-border mobility, and efforts to develop environmental protection, emergency services, skilled jobs and access to public services for the next EU generation.¹⁴ For the programming period 2021- 2027, the 6th generation of Interreg has a total budget of almost 10 billion euros¹⁵.

Instrument for Pre-accession Assistance (IPA III)

The general objective of the new IPA III instrument is to support the beneficiaries in adopting and implementing the political, institutional, legal, administrative, social and economic reforms required to comply with European Union values and to progressively align to European Union rules, standards,

⁹ https://ec.europa.eu/regional_policy/en/funding/erdf/

¹⁰ https://ec.europa.eu/regional_policy/en/funding/cohesion-fund/

¹¹ <https://ec.europa.eu/european-social-fund-plus/en>

¹² https://agriculture.ec.europa.eu/common-agricultural-policy/financing-cap/cap-funds_en

¹³ https://oceans-and-fisheries.ec.europa.eu/funding/emfaf_en

¹⁴ https://ec.europa.eu/regional_policy/en/funding/erdf/#1

¹⁵ https://ec.europa.eu/regional_policy/en/newsroom/news/2022/03/23-03-2022-adoption-of-the-first-interreg-cooperation-programmes-for-2021-2027#:~:text=For%20the%20programming%20period%202021,of%20almost%20%E2%82%AC10%20billion.

policies and practices with a view to European Union membership, thereby contributing to their stability, security and prosperity.

IPA III presents a solid policy-driven approach, with strategic and dynamic deployment of assistance, putting the fundamental requirements for the EU membership at the core of the instrument. By further focusing EU financial assistance on key priorities, IPA III will leverage support to reforms fostering sustainable socio-economic development and bringing the partners closer to the EU's values and standards. The total budget is 14.162 billion euros.¹⁶

Neighbourhood, Development and International Cooperation Instrument (NDICI)

The new Global Europe will cover all of the EU's cooperation with third countries, with the exception of pre-accession recipients and foreign nations and territories from geographic programmes, with an overall budget of 79.5 billion euros. Global Europe will help nations that are most in need overcome long-term developmental obstacles and will help the European Union fulfil its international commitments and goals, particularly the Paris Agreement, the Territorial Agenda 2030, and the Sustainable Development Goals (SDG). The EU budget is combined with a number of current external financial instruments.

Centrally managed programmes, although not primarily dedicated to financing actions related to the implementation of the macro-regional strategies, also represent an important source of financing.

Horizon Europe

Horizon Europe is the EU's key funding programme for research and innovation with a budget of 95.5 billion euros. It tackles climate change, helps to achieve the UN's Sustainable Development Goals and boosts the EU's competitiveness and growth. The programme facilitates collaboration and strengthens the impact of research and innovation in developing, supporting and implementing EU policies while tackling global challenges. It supports creating and better dispersing of excellent knowledge and technologies¹⁷.

Single Market Programme (SMP)

The Single Market Programme focuses on strengthening the governance of the European Union's internal market, supporting the competitiveness of industry and in particular of micro, small and medium-sized enterprises (SMEs), promoting human, animal and plant health and animal welfare and establishing the framework for financing European statistics. It will support the above-mentioned areas with a budget of 4.208 billion euros for the period of 2021-2027. In addition, 2.000 billion euros allocated under the InvestEU Fund, in particular through its SMEs Window, will significantly contribute to its objectives¹⁸.

Erasmus+

Erasmus+ is the EU Programme in the fields of education, training, youth and sport. The general objective of the programme is to support, through lifelong learning, the educational, professional and personal development of people in education, training, youth and sport, in Europe and beyond, thereby contributing to sustainable growth, quality jobs and social cohesion, to driving innovation, and to strengthening European identity and active citizenship. The programme has an overall indicative financial envelope of more than 26 billion euros for the period 2021-2027¹⁹.

¹⁶ <https://ec.europa.eu/neighbourhood-enlargement/system/files/2021-10/IPA-factsheet-2021.pdf>

¹⁷ https://ec.europa.eu/info/research-and-innovation/funding/funding-opportunities/funding-programmes-and-open-calls/horizon-europe_en

¹⁸ https://eisma.ec.europa.eu/programmes/single-market-programme_en

¹⁹ <https://erasmus-plus.ec.europa.eu/programme-guide/part-a/priorities-of-the-erasmus-programme/objectives-features>

Creative Europe

Creative Europe invests in actions that reinforce cultural diversity and respond to the needs and challenges of the cultural and creative sectors. The Creative Europe programme 2021-2027 has a budget of 2.44 billion euros. The main objectives of the programme are to safeguard, develop and promote European cultural and linguistic diversity and heritage, as well as to increase the competitiveness and economic potential of the cultural and creative sectors, in particular the audio-visual sector²⁰.

Connecting Europe Facility (CEF)

The Connecting Europe Facility (CEF) is a key EU funding instrument in delivering the European Green Deal and an important enabler towards the EU's decarbonisation objectives for 2030 and 2050. It supports the development of high performing, sustainable and efficiently interconnected trans-European networks in the fields of transport, energy and digital services. CEF investments provide the missing links in Europe's energy, transport and digital backbone.

- CEF Transport – for the 2021-2027 period the budget is 25.81 billion euros
- CEF Energy – for the 2021-2027 period the budget is 5.84 billion euros
- CEF Digital – for the 2021-2027 period the budget is 1.6 billion euros²¹

InvestEU

With the aim of triggering a new wave of over 372 billion euros in investment in the period 2021-27, the InvestEU Programme will boost innovation and job creation in Europe. It will provide and attract long-term funding in line with EU policies and contribute to economic recovery. The programme will be structured around four policy windows: *Sustainable infrastructure, Research, innovation and digitisation, SMEs, Social investment and skills*.²²

LIFE Programme

LIFE programme (with an estimated budget of 5.43 billion euros²³) is the European Union's central funding programme for the environment and climate action. For the 2021-2027 period, the programme is structured in four sub-programmes:

- Nature and biodiversity;
- Circular economy and quality of life;
- Climate change mitigation and adaptation;
- Clean energy transition.

The EUSDR, by encouraging participation and promoting the sharing of ideas and experiences across various (national and regional) managing/programming agencies, can facilitate more extensive coordinating mechanisms. The EUSDR offers a platform for strategically coordinating money from various funding sources and fostering collaboration among various macro-regional stakeholders.

Ultimately, the overarching goal of tracking the results of the embedding process is to show how EU finances and funding programmes help to fulfil the objectives of the EUSDR. It enables the comparison of actual results with anticipated outcomes, the identification of successful case studies, and the highlighting of gaps in the conversion of the EUSDR and its Actions into EU-funded projects.²⁴

²⁰ <https://culture.ec.europa.eu/creative-europe/about-the-creative-europe-programme>

²¹ https://cinea.ec.europa.eu/programmes/connecting-europe-facility/about-connecting-europe-facility_en

²² https://ec.europa.eu/info/funding-tenders/find-funding/eu-funding-programmes/investeu_en

²³ https://cinea.ec.europa.eu/system/files/2021-04/New%20Look%20LIFE_%20CINEA%E2%80%99s%20Maja%20Mikosinska%20.pdf

²⁴ Guidance Paper for Embedding the EU Strategy for the Danube Region (EUSDR) into EU Programmes, https://danube-region.eu/wp-content/uploads/2022/05/Guidance-Paper_EUSDR-embedding-process_05.2022_final_clean_updated.pdf

3. Embedding at national/regional level

In 2020 and 2021, EUSDR participating states prepared for the 2021-2027 programming period at national/regional level to ensure that relevant macro-regional priorities be included in 2021-27 planning and programme documents. In the following paragraphs, examples of national/regional embedding efforts as well as first results as reported by EUSDR National Coordinators are summarised.

In **Baden-Württemberg**, a structured dialogue has been initiated, involving authorities in charge of MRS and other cross-border strategic activities as well as representatives of MAs (ERDF, ESF). Regular meetings have been taking place, in particular during the programming period.

Similarly, in **Croatia** macro-regional priorities, targets and actions were explained to the national and regional authorities responsible for the EU funds allocated to Cohesion Policy and IPA funds in the programming period 2021-2027. After that, a structured dialogue has been established, which was a precondition for the successful preparation of the Partnership Agreement and Operational Programmes (OPs).

The **Hungarian** NC arranged a project financing conference in September 2021 to share information and facilitate the allocation of funds. The HU NC also contributed to the formulation of the Partnership Agreement and participated as observer in Monitoring Committees and during the programming of five national OPs and seven CBC (including IPA III and NDICI) Programmes. Further, a government decision²⁵ requests the involvement of managing authority representatives in the EUSDR Intergovernmental Working Group.

In **Montenegro**, the authority responsible for EU funds conducted a national consultation on the process of embedding macro-regional priorities and actions into the main programming documents for IPA III (CBC programmes and IPA national programmes). Consultations were held with the authorities responsible for the programming of IPA funds as well as with the representatives of the EU Delegation to Montenegro.

As **Slovenia** is participating in three macro-regional strategies, the National Coordination together with relevant stakeholders assembled a joint list (table) of embedding priorities, including potential funding sources, which are relevant for all three MRS. The table formed the basis for the 6th National Financial Dialogue on embedding organised in September 2021 with all government ministries, managing authorities, programmes and other stakeholders. The document was used as the focal point of the embedding process in Slovenia and serves as a tool for monitoring and assessment of the outcomes of the embedding process later on.

In some countries, EUSDR National Coordinators already reported remarkable results as an outcome of the embedding efforts, such as:

In **Bavaria**, MRS and programme-level authorities are in continuous dialogue and NCs were involved in the preparation of different EU-programmes under shared management. As a result, measures have been selected in the future programmes, which will directly contribute to or are even addressed at the implementation of the objectives of the Strategy.

In **Bulgaria**, the Programme “Development of the regions” (PDR) 2021 – 2027 plans to award additional points at the pre-selection stage to projects contributing to the EUSDR Action Plan as well as to operations which are intended to be synchronised or implemented in cooperation with partners from

²⁵ 1444/2020 (VII.28.)

other countries of the Danube Region. The Programme “Environment” (PE) 2021 – 2027 envisages the implementation of actions under five of its priorities (Water, Waste, Biodiversity, Risk and Climate change and Air) with contribution to ecological objectives identified in the EUSDR. The provided funding in priority “Water” is closely related to EUSDR Pillar 2 and mainly to EUSDR PA 4 “Water quality” through investments in infrastructure for collection, disposal and wastewater treatment, protection of water resources and provision of water supply. Under priority “Waste” are planned actions such as building institutional capacity and solutions exchange with neighbour countries to reduce the amount of landfilled household waste and increasing the share of separately collected and recycled waste and implementation of measures for rehabilitation of contaminated land which will contribute to EUSDR PA 5, PA 6 and PA 10. Envisaged actions under the priorities Biodiversity, Risk and Climate change and Air also contribute to EUSDR PA 5 and PA 6.

In **Hungary**, before the first calls for proposals of the Territorial and Settlement OP Plus were announced at the end of 2021, a cross compliance of EUSDR Actions and OP priorities has been carried out. Thus, project owners could select which EUSDR Actions are relevant to their project.

In **Ukraine**, the embedding process coincided with the development of state programme documents for the new planning period 2021-2027, which allowed Ukraine not only to review the current state of the EUSDR’s implementation on national level, but also to strengthen its role by aligning its main priorities with state programme documents²⁶. In addition, regional development strategies²⁷ were elaborated and approved to implement the objectives of the EUSDR at operational level. In 2021, Ukraine has also entered the next stage of the EUSDR embedding exercise – the process of monitoring the activities of executive authorities related to the integration of the EUSDR main topics and priorities into the national sectoral strategic documents and programmes.

4. Embedding at thematic level

Next to the embedding efforts at Strategy and national/regional level, also Priority Areas contributed to the EUSDR embedding process with different activities. In 2020, each Priority Area selected three strategic topics, based on the EUSDR Action Plan, to be included in the relevant national/regional operational programmes. Since then, embedding remained high on the agenda of most Priority Areas. In the following paragraphs, embedding activities carried out within the PAs as well as information on funding sources tackled in the reporting period are summarised.

Priority Areas emphasised the practice of continuous **discussion and information sharing within the EUSDR governance structure**, including active communication with the NCs. Embedding has also been discussed regularly within the Steering Groups or during Task Force/Working Group meetings, as highlighted by PA 1a, PA 4, PA 5, PA 6, PA 7, PA 8 and PA 9. For instance, every PA 4 SG meeting includes a presentation on the alignment of funding, where all countries are informed on how and when to use available funds and calls depending on whether they are EU or non-EU member states.

Beside SG meetings, PACs use various **communication channels** to share information with SG members and other interested stakeholders. The use of different funding sources and open calls are promoted on the website, via social media and by e-mail. Furthermore, other methods of promotion such as

²⁶ State Strategy for Regional Development for 2021-2027; State Programme for Cross-Border Cooperation for the period 2021-2027

²⁷ Chernivtsi, Zakarpattia, Odessa and Ivano-Frankivsk oblasts

newsletters, interviews, factsheets or summary articles were used occasionally to share information, activities, events and success stories.

Moreover, several PACs participated in **national programming meetings** or organised dialogues and **information exchange with managing/programming authorities**. For instance, the Austrian and Romanian PACs of PA 1a participated in national programming meetings and workshops, Hungarian PAC coordination (PA 2, PA 4 and PA 5) took part in programming meeting of several Interreg Programmes (HU-AT, HU-HR, HU-SI, HU-SK, HU-SK-RO-UA), and PA 6 was involved in the Croatian Cohesion Policy programming process as well as the national programming group of the German delegation for the new Danube Transnational Programme. PA 7 also discussed its priorities with relevant managing authorities and PA 8 held several meetings and information sharing on different funding sources in order to secure financing.

PA 9 and PA 10 have been organising the **network of ESF managing authorities** in the Danube Region, which has been in place since 2015. In the network, managing authorities of different EUSDR member states cooperate to strategically address the challenges and opportunities within funding instruments, synchronise their national funding opportunities and jointly contribute to the formalisation of more effective cross border cooperation. The embedding process has been at the forefront of the activities implemented within the network. In the reporting period, a coordinated call between BG and DE was conducted and a common text module for transnational elements in the operational programmes was elaborated.

In addition, several Priority Areas organised **events or workshops** dedicated to embedding the EUSDR into EU funded programmes. In 2021, the coordination teams of PA 2, PA 4 and PA 5 together with the Hungarian EUSDR National Coordination organised a project financing seminar with the aim of presenting funding opportunities to interested stakeholders in the field of sustainable energy, water and environmental issues. At the event, the following programmes were presented to 120 participants: LIFE, Horizon Europe, Interreg Europe, Interreg Central Europe, CBC programmes, Danube Transnational Programme, European City Facility Call, Visegrád Fund, URBACT and the Western Balkan Fund. PA 2 also organised a workshop for SG members and interested project promoters in order to enhance its project generation activity. At this workshop, PA 2 presented the open calls in the topic of energy and the participants discussed several project ideas. PA 7 organised workshops on the Horizon Europe programme and established an online matchmaking platform for widening project proposals.

In the reporting period 2020 and 2021, different funding sources were used by the Priority Areas. Especially the EU funds allocated to Cohesion Policy at various levels (regional, national, cross-border or transnational programmes), the Instrument for Pre-accession Assistance (IPA), EU centrally managed programmes and other national programmes have been considered as a suitable source of financing in different PAs.

In several Priority Areas, **regional and national programmes for EU funds allocated to Cohesion Policy** have been promoted or discussed within the Steering Group or with other stakeholders (see Figure 1 and Figure 2). Especially PA 4 highlighted the respective utilisation e.g. in project proposals, approved projects, working groups, events etc. Also, PA 5 highlighted that in Hungary national level EU funds allocated to Cohesion Policy programmes are coordinated by the National Coordinator in a joint manner, considering all Priority Areas. PA 9 and PA 10 promoted and utilised national (and, where available, regional) ESF programmes via the ESF managing authorities' network (see above). PA 10 also discussed the use of national and regional EU funds allocated to Cohesion Policy programmes in the

context of institutional capacity building in the Steering Group and plans to enhance the utilisation of national programmes (e.g. ESF+ OPs) in the new funding period 2021-2027.

PA 6 pointed out that even though EU funds allocated to Cohesion Policy can significantly contribute to the financing of the PA 6 related projects, stakeholders cannot absorb the respective funding due to difficulties in the process of embedding MRS into national mainstream programmes. The European Commission could therefore consider how to facilitate accession to these funds for the relevant actors in order to implement the measures needed in this respect.

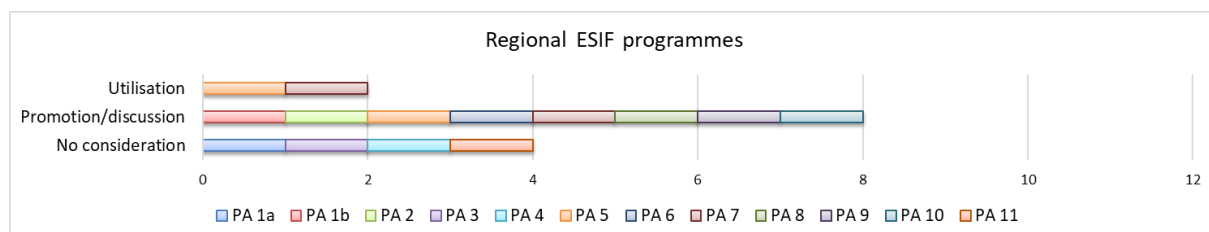


Figure 1: Use of regional EU funds allocated to Cohesion Policy programmes (Source: own figure based on PAC reporting)

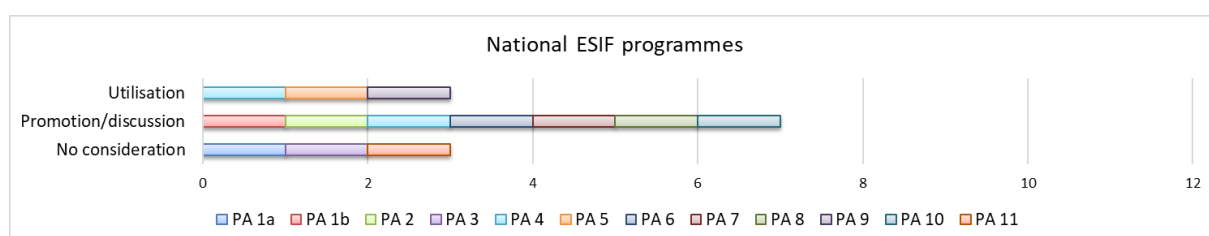


Figure 2: Use of national EU funds allocated to Cohesion Policy programmes (Source: own figure based on PAC reporting)

Also, the **Instrument for Pre-Accession Assistance (IPA III)** and/or **Neighbourhood, Development and International Cooperation Instrument (NDICI)** have been considered as a suitable source of financing in different Priority Areas (see Figure 3).

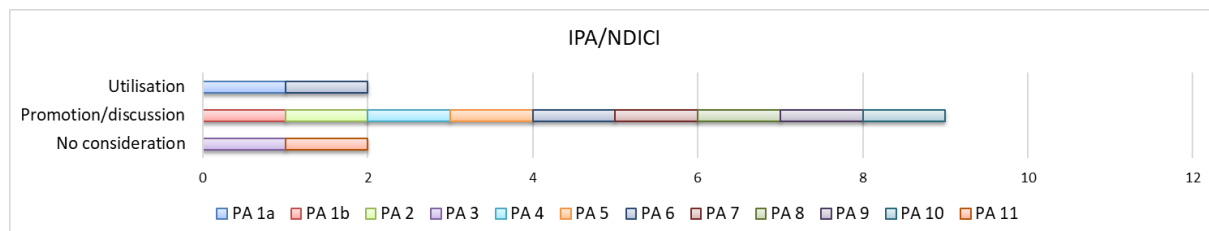


Figure 3: Use of IPA/NDICI (Source: own figure based on PAC reporting)

For instance, several projects in Serbia have been financed from IPA sources. An example is the project 'River training and dredging works on critical sectors on the Danube River', which is monitored by PA 1a.

ETC programmes (cross-border, transnational, interregional) have been among the most important sources of funding for the EUSDR in the reporting period (see Figure 4). Due to their interregional/transnational character and thematic compatibility with the topics of the EUSDR, almost all Priority Areas have established projects in cross-border and transnational programmes, or at least discussed them with their Steering Groups.

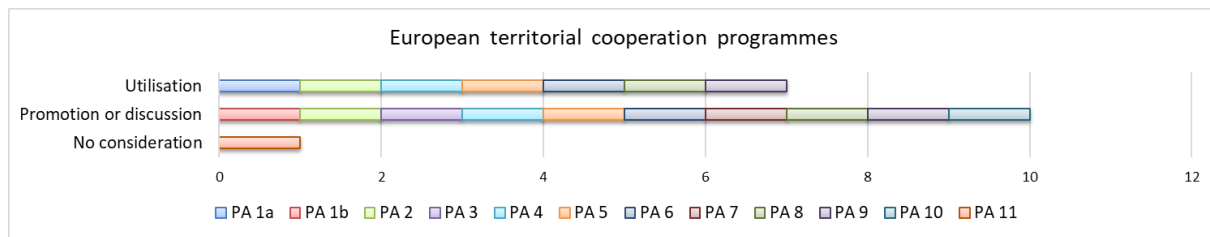


Figure 4: Use of ETC programmes (Source: own figure based on PAC reporting)

Project examples from the Danube Transnational Programme (DTP) include:

- PA 1a: GRENDDEL (Green and efficient Danube fleet); DAPhNE (Danube Ports Network)
- PA 1b: Danube Cycle Plans (Policies, plans and promotion for more people cycling in the Danube Region); OJP4Danube (Coordination mechanisms for multimodal cross-border traveller information network based on OJP for Danube Region); SABRINA (Safer Bicycle Routes in Danube Area)
- PA 2: DanuP-2-Gas (Innovative model to drive energy security and diversity in the Danube Region via combination of bioenergy with surplus renewable energy)
- PA 3: TRANSDANUBE.PEARLS (Network for Sustainable Mobility along the Danube); RESTART_4DANUBE (Boosting cREative induSTries in urbAn Regeneration for a stronger Danube Region); DANURB (DANube Urban Brand)
- PA 4: TID(Y)UP (F(ol)low the Plastic from source to the sea: Tisza-Danube integrated action plan to eliminate plastic pollution of rivers); Danube Hazard m3c (Tackling hazardous substances pollution in the Danube River Basin by Measuring, Modelling-based Management and Capacity building)
- PA 5: WACOM (Water Contingency Management in the Sava River Basin); Danube Floodplain (Reducing the flood risk through floodplain restoration along the Danube River and tributaries)
- PA 6: MEASURES (Managing and restoring aquatic EcologicAl corridors for migratory fiSh species in the danUbe RivEr baSin); lifelineMDD (Protecting and restoring ecological connectivity in the Mura-Drava-Danube river corridor through cross-sectoral cooperation); D2C (DaRe to Connect - Supporting Danube Region's ecological Connectivity by linking Natura 2000 areas along the Green Belt); SaveGREEN (Safeguarding the functionality of transnationally important ecological corridors in the Danube basin)
- PA 8: DanuBioValNet (Cross-clustering partnership for boosting eco-innovation by developing a joint bio-based value-added network for the Danube Region); GoDanuBio (Participative Ecosystems for fostering the revitalisation of rural-urban cooperation through governing Danube Circular Bioeconomy)

Examples from other transnational or cross-border programmes include:

- PA 1b: Interreg Central Europe: CONNECT2CE (Improving Rail Connections and Smart Mobility in Central Europe); TRANS-BORDERS (better planning to make rural areas more accessible); SMACKER (Soft Measures & Actions for behavioural Change and Knowledge to Embrace peripheral and Rural areas)
- PA 2: Interreg Europe: SET-UP (Smart Energy Transition to Upgrade regional Performance)
- PA 4: Interreg V-A SK-AT: PlasticFreeDanube (Macro-plastic-waste along the Danube); Interreg Central Europe: Deepwater-CE (Developing an integrated implementation framework for Managed Aquifer Recharge solutions to facilitate the protection of Central European water resources endangered by climate change and user conflict)

- PA 5: Interreg HU-SK-RO-UA ENI CBC: FloodUZH (Joint activities for the prevention of natural disasters in the transboundary Uzh river basin); SAFETISZA (Strengthening of cross-border safety by joint measures aimed at flood and inland water prevention in the interfluvies of Tisza-Tur rivers); Interreg IPA CBC HU – SRB: SafeForest (Improving Floodplain Forest Management along the Danube in the HU-SRB CBC area)
- PA 7: Interreg V-A SK-AT: SEED-Hub (Social Entrepreneurship Education and Development Hub)
- PA 9: Interreg V-A AT-CZ: DigiMe (Digital & media competence for students and teachers)

Also, **EU centrally managed programmes** have been widely utilised in the EUSDR (see Figure 5). Programmes such as CEF, Erasmus+, EaSI, Horizon2020 or LIFE have been considered as a suitable source of financing in many Priority Areas. However, due to the competitive nature of these programmes, not all applications from the PAs turned out to be successful. Several PAs highlighted that better cooperation with centrally managed programmes would be desirable. One PA further pointed out that some of these programmes make it more difficult to be successful with a macro-regional project as the geographic coverage is considered to be too narrow. Also, project promoters who are very well experienced in one type of EU programmes might find it more difficult to meet requirements for other types of programmes. Hence, more exchange between programmes and potential project promoters might be helpful.

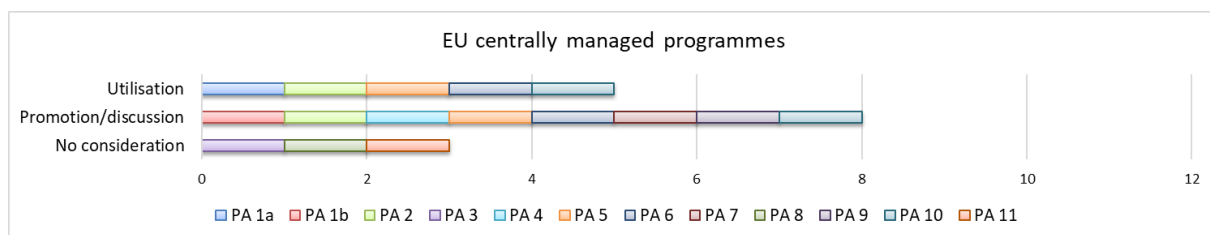


Figure 5: Use of EU centrally managed programmes (Source: own figure based on PAC reporting)

Project examples from EU centrally managed programmes include:

- PA 1a: CEF Transport: FAIRway Works! in the Rhine-Danube corridor (remove bottlenecks to navigation along the Serbian and Austrian sections of the Danube); Erasmus+: COMPETING (Competence Based Education and Training for Inland Navigation); Horizon2020: PLATINA 3 (Platform for the implementation of a future inland navigation action programme)
- PA 5: Horizon2020: DAREnet (A Practitioner Network to Strengthen Flood Resilience in the Danube Region); LIFE: LIFE-MICACC (Municipalities as integrators and coordinators in adaptation to climate change); LIFE SandBoil (natural-based solution to mitigate flood risk due to sand boils reactivations along the Po river)
- PA 6: LIFE: LIFE WILDisland (Danube Wild Island Habitat Corridor); LIFE DANUBE FREE SKY (Transnational conservation of birds along Danube river)
- PA 7: Horizon Europe: TRESKA (Trustworthy, Reliable and Engaging Scientific Communication Approaches)
- PA 9: EaSI: SI PLUS (Social Innovation Plus – Competence Centres)

So far, **other EU financing instruments** have been little considered by most of the EUSDR Priority Areas, with the exception of PA 5 (see Figure 6). One PA pointed out that the use of financial instruments such as loans is regarded as too complicated. On the other hand, PA 10 highlighted that, with an increased awareness of the smart village approach for building local capacities, it is planned to promote other EU funding instruments such as the LEADER programme in the future.

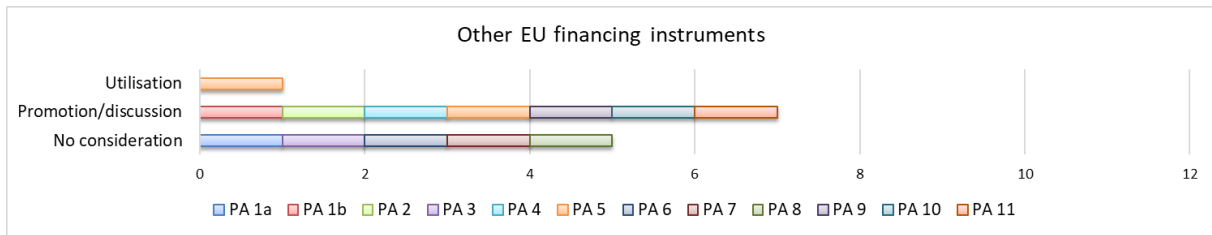


Figure 6: Use of other EU financing instruments (Source: own figure based on PAC reporting)

Examples of projects from other EU funding instruments can be found in PA 5, who highlighted that DG ECHO (responsible for civil protection and humanitarian aid at EU level) provides suitable opportunities to utilise. Project examples are DiMaND (Disaster Management Network in the Danube Region) and PROFOUND (unified flood response in the Danube Region by designing and conducting a macro-regional scale field exercise). In addition, the WePass project (Facilitating Fish Migration and Conservation at the Iron Gates), led by the ICPDR and closely linked to the PA 6 Danube Sturgeon Task Force, was financed directly by the EC, namely by the DG REGIO Grant ‘Support for the Implementation of the Feasibility Study analysing options for fish migration at Iron Gate I & II’.

The use of **national/regional programmes** (other than EU funds allocated to Cohesion Policy mainstream programmes) varies between the EUSDR Priority Areas (see Figure 7). While some PACs are not familiar with the details of any national programme, others regularly utilise these funding opportunities.

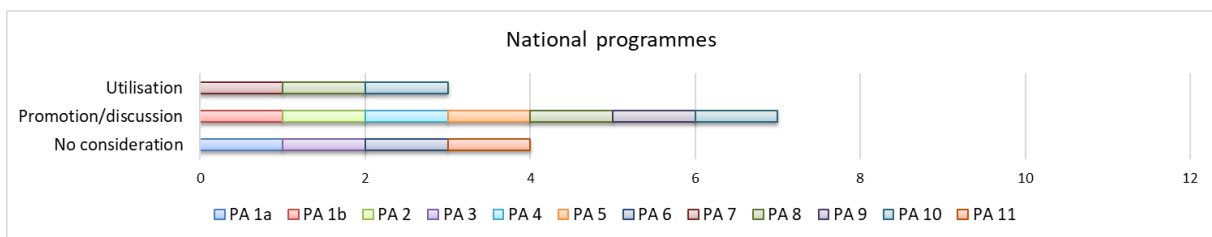


Figure 7: Use of national programmes (Source: own figure based on PAC reporting)

- PA 1b highlighted that there is no infrastructure project without budget contribution and no public services without national budget support (without subsidies). Hence budgets and EU funds are key to the realisation of transnational projects with added value for the macro-region and also the EU transport network.
- In PA 7, national programmes were used for funding the projects of the multilateral Danube call. These projects aim at networking, leading to the preparation of joint project proposals for the European grant schemes.
- In PA 8, ‘Innovation Express 2021’ was established as a joint initiative of all four macro-regional strategies in order to push the embedding activities by publishing a harmonised/synchronised call for projects. The regions and countries that have participated in this call used their regional/national funds. In addition, the project Danube Alliance was financed by regional funds of Baden-Württemberg.
- Projects of PA 9 include national funding from Austria, e.g. for Inclusive Education in the Region Odesa (educational cooperation with Ukraine in the pre-university sector); Coop-Net (Centres of Vocational Excellence as innovation drivers in vocational education and training); EQET SEE (Enhancements in Quality of Education and Training in South Eastern Europe) or DiDaNet (Digital Danube Network).

- Also in PA 10, national/regional programmes such as the funding from the Baden-Württemberg Foundation have been used to fund projects like the Danube Youth Network.

Private funds have not been considered (yet) in most of the EUSDR Priority Areas (see Figure 8). PA 7 pointed out that private funds (mainly SMEs) are used for the co-funding of DTP projects. In PA 10, private funds have been identified as potential partnerships within the implementation of specific activities and programmes in order to secure sound and sustainable financial planning. PA 10 further highlighted that specific attention needs to be given to the selection of private companies and establishments for cooperation that entail similar values, goals and benchmarks as the implemented programmes.

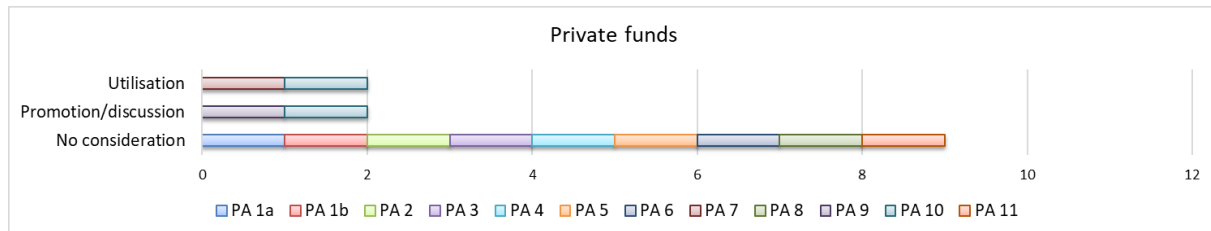


Figure 8: Use of private funds (Source: own figure based on PAC reporting)

Regarding **other funding sources**, the Visegrád Fund (WILDFIREX) and the Western Balkan Green Centre Fund (PREP-R) have been pointed out, as their objectives are in line with PA 5.

5. Conclusions and Outlook

As illustrated in the previous chapters as well as in chapter 2.2 of the EUSDR Implementation Report 2020-2021, embedding the EUSDR into EU Funds and Funding Programmes has been very high on the Strategy's agenda. Many activities have been implemented on different levels by all EUSDR core stakeholders such as the Presidencies, National Coordinators, Priority Area Coordinators as well as the Danube Strategy Point. The present report has shown that all these efforts have already yielded remarkable results in embedding the EUSDR into programming documents as well as in implementing projects.

Also, the EUSDR Policy/Impact Evaluation (May 2022) concluded that the EUSDR embedding process has been very extensive, useful and efficient:

Overall, the EUSDR embedding process is assessed as very comprehensive and complete. It has been built on continuous efforts to show the national and regional authorities' ways to align new programmes with the EUSDR and create mechanisms to facilitate appropriate contributions. For more than three years, documents, leaflets, events, websites, surveys, networks and high-level events have been used to promote embedding. Clearly, a lot of effort has been made and early results show embedding has taken place in many countries and many programmes. Compared to the embedding during the 2014- 2020 funding period, where only one third of programmes showed a medium to high degree of correspondence and embeddedness, it seems that for the period 2021-2027, according to the new ERDF/CF Regulation, programmes will have an extensive description of their contribution to the EUSDR (and other MRS and sea basin strategies) and will even have operational mechanisms to strengthen contributions and follow-up during implementation. The conclusion is that the process to support for embedding from the EUSDR has been extensive. Embedding in EU funded programmes depends to a large extent on national and regional authorities and also on the EU regulatory framework. The EUSDR can only play a small role in 'nudging' towards embedding, facilitating exchanges of ideas and experience as well as identifying and explaining possible ways to embed. Taking this into account, the EUSDR embedding process is evaluated as highly useful and efficient. The support to embedding from the DSP is evaluated as effective. Valuable instruments, such as the ERDF/CF MA

network and the IPA/NDICI programming authorities' network are now in place to facilitate continuous support for embedding.²⁸

Nevertheless, there are still challenges in funding EUSDR related projects and processes, as pointed out by several Priority Areas. Generally, stakeholders agree that the embedding process should be further taken up. The EUSDR still has a low visibility among funding sources other than Interreg, hence the need to embed MRS objectives and activities is specifically given in mainstream programmes and centrally managed EU programmes. In this regard, it was suggested that the funding instruments should be better informed about macro-regional strategies at EU level. However, it was also pointed out that the implementation of some projects, e.g. related to energy, is very costly (requiring large-scale investments) and often handled at high political level, which goes beyond the scope and competence of EUSDR Priority Areas.

Building up on existing experiences, in the upcoming programme period the possibility to include selection criteria related to the EUSDR Action Plan in the calls for proposals should be further explored, among others in national mainstream programmes and cross-border programmes. Awarding extra points in the evaluation process to EUSDR relevant projects has already proven as a useful tool in identifying EUSDR relevant project and would support the monitoring of the implementation phase of the embedding process. The contribution of projects to the EUSDR may be either described in the project proposal itself and analysed by the Evaluation Committee of the respective programme, or confirmed through a 'Letter of Recommendation' by the EUSDR Priority Areas. In this regard, also a specific support for 'Danube Strategy Flagships' (see EUSDR Implementation Report, chapter 2.4) could be considered by different programmes. As one PAC highlighted, MRS priorities and Flagships should be taken into consideration in specialised calls of the European grant schemes such as Horizon Europe widening schemes, Erasmus+, Life, etc. Another PAC pointed out that the Danube Transnational Programme (DTP) could find a way to support the development and funding of these projects, e.g. via Seed Money Facility or regular DTP calls. Also, a closer and more efficient cooperation with the DTP was suggested. The EUSDR priorities should be considered when launching calls and evaluating the project proposals.

Another PA specific challenge was raised by PA 11, as activities in the area of security usually do not fall within the scope of operational programmes, and projects are not implemented by partnerships of two or more Danube Region countries. EUSDR member states develop national programmes under the Security Fund, Asylum, Migration and Integration fund and the Integrated Border Management Fund: instrument for financial support for border management and visa 2021–2027, where they are direct beneficiaries. The EUSDR constitutes an additional platform for cooperation among states in the area of security, which takes place bilaterally or multilaterally, depending on the concrete case, mainly within platforms such as Europol, Interpol or the Salzburg Forum. Therefore, PA 11 highlighted the importance of targeted processes for different Priority Areas, rather than a uniform embedding approach for the whole Strategy.

Some further conclusions and suggestions pointed out by Priority Area Coordinators are summarised below.

- The challenge of ensuring long-term commitments of stakeholders related to the ownership of PA specific milestones and goals and the need for long-term financing still remains an open issue.

²⁸ Spatial Foresight 2022: Policy/impact evaluation of EUSDR instruments, tools and activities for measuring the impact in the Danube Region. [Online](#).

- In order to address key issues, PACs and SG members should have knowledge, decision-making power and human as well as financial resources to carry out key soft projects (studies, master plans, etc.) and to support transnational projects with added value for the macro-region. National projects without added value to the macro-region should be avoided and excluded from discussions and support by the EUSDR. To reach this ambitious goal, each PA would need an independent body e.g. technical secretariat.
- Within the activities of the Priority Areas and relevant stakeholders, stronger financial support is needed for all stakeholders participating from non-EU countries to guarantee equal opportunities for participation and cooperation.
- There is a need to decouple the funding of core PA related activities such as communication (e.g. websites) from the management of wider EU-funded projects, to guarantee the continuation of such activities beyond the implementation of a specific project.
- The sectorial ministries and policy makers need to be better involved in the work of the EUSDR. There needs to be a direct link between policy makers in the Danube Region countries and transnational project activities. SG members need to have a more active role in promoting the embedding processes in their countries.
- More meetings at high level are needed in order to raise the visibility of the Strategy.
- At national level, stronger coordination mechanisms between MRS implementation and (mainstream) Ops are required. This also includes strengthening the commitment of sectorial ministries, especially those responsible for funding instruments and the EUSDR. Stronger coordination between programmes and the Strategy as well as stronger commitment would help to embed procedural and thematic EUSDR priorities into national policies.
- There is a need to explore if the lower co-financing rate for the upcoming programme period will provide a challenge for the end beneficiary, and, if needed, provide assistance in finding solutions.
- Following the intention to achieve stronger cross-MRS cooperation, the alignment of funding is recommended to be addressed to adequately disburse the available resources in the achievement of the MRS targets.
- A clear and structured monitoring of the embedded activities is needed.
- Capacity building, education and search for synergies based on common goals and shared challenges is essential in more comprehensive financial opportunities for programme and project construction.

With the programming phase coming to an end, cooperation and continuous information flow shall be pursued in the years to come. As the financial needs and thematic scope of EUSDR embedding exceed the possibilities of individual programmes, the further embedding process draws on the work of the existing EUSDR managing/programming authorities' networks (ESF, ERDF/CF and IPA/NDICI), which already have initiated a dialogue with the key stakeholders of the Strategy, and jointly identified future relevant areas of cooperation. Based on surveys conducted in the ERDF/CF and IPA/NDICI networks, five priorities (strategic topics) that are considered relevant with regard to the alignment of key topics by the managing/programme authorities and the EUSDR objectives, are now to be coordinated in more depth and carried out in a harmonised manner, as outlined in the Guidance Paper 'From Actions to Funding' published by the Ukrainian EUSDR Presidency in May 2022²⁹. Based on these TOP 5 matchmaking topics, a series of thematic workshops, the so-called EUSDR Embedding Week, was

²⁹ Guidance Paper for Embedding the EUSDR into EU Programmes. FROM ACTIONS TO FUNDING. May 2022. [Online](#).

organised by the DSP. The EUSDR Embedding Week took place from 11 to 15 July 2022 for the first time and provided interested stakeholders (UA EUSDR Presidency, NCs, PACs, EC, MAs, programming authorities and TESIM) with a concise and engaging platform for sharing multilevel, cross-thematic and cross-macro-regional ideas and experiences.

A smarter Danube Region	#Inclusive European Research Area #Bridging innovation gaps through capacity building #Promoting research excellence #Smart Specialisation Strategies #Research and innovation as crisis response	SO 1.1
A more competitive Danube Region	#Cluster development #Female entrepreneurship	SO 1.3
A more energy efficient Danube Region	#Energy efficiency #Decarbonisation of heating & cooling systems	SO 2.1
A more resilient Danube Region	#Climate change adaptation #Flood and Disaster Management	SO 2.4
A greener Danube Region	#Traffic stakeholders/plane routes #Endangered umbrella species #Green infrastructure #Soil-related ecosystem services	SO 2.7

A summary of the EUSDR Embedding Week 2022 can be found on the EUSDR website³⁰. The DSP will continue to annually organise the EUSDR Embedding Week (one thematic workshop each day) to bring together EUSDR stakeholders and the programming/managing authorities, providing a joint dialogue forum between programmes and the EUSDR to discuss ways on how to embed the EUSDR into programmes.

In addition, further managing/programming authorities' network meetings will be organised to provide stakeholders a forum for exchange, deepening of cooperation and monitoring of measures aiming at better use of EU funds while ensuring the policy effectiveness of programmes.

As requested by the EUSDR National Coordinators, the DSP will take a leading role in monitoring the outcomes of the EUSDR embedding process in the implementation stage of the 2021-2027 period. An essential source of up-to-date information on calls and available funding provides the online tool EuroAccess Macro-Regions³¹. The tool supports the optimal search for current funding opportunities by looking for relevant calls regarding the region, thematic focus, or type of funding. The DSP has been closely cooperating with EuroAccess and will further intensify this cooperation for monitoring the embedding and for a more efficient and targeted dissemination of funding and call information on thematic, PA and cross-Pillar level. Based on the information from EuroAccess and other information sources such as the EUSDR monitoring system (PAC reports on projects), information collected via the MA networks, as well as monitoring systems of managing/programming authorities or programme evaluations where available, the DSP will conduct one interim and one final report on embedding the EUSDR into EU funds. These reports will provide solid data for the further development of embedding activities and also provide results that may be used for other strategic processes in the EUSDR such as a potential revision of the EUSDR Action Plan, the development of projects and processes, Danube Strategy Flagships etc.

³⁰ EUSDR Embedding Week. A Review. Edition 2022. [Online](#).

³¹ www.euro-access.eu