

## The EU Strategy for the Danube Region

### SUMMARY

Responding to the objective of achieving territorial cohesion, the macro-regional approach promoted by the European Union has gained momentum since 2009 and has been put into practice, first in the Baltic Sea Region and subsequently in the Danube River Basin and the Adriatic-Ionian Region through the implementation of strategies targeted at each of these areas, the Danube Region Strategy being one such example.

Now that these first macro-regional strategies have been in operation for a few years, efforts have been made to draw initial lessons from them by assessing their results, the added value of the concept, and the suitability of the governance model applied. Reports from the European Commission, while highlighting the strategies' impact in terms of projects, coordination and integration, promotion of multi-level governance and territorial cohesion, underline the need for stronger political backing, commitment and leadership from the participating countries and regions. Stakeholders have called for a more streamlined governance structure, criticised the limited involvement of civil society organisations, local and regional actors in planning and decision-making processes, and pointed to capacity shortcomings impeding their participation.

The question of capacities and resources is of critical importance. As macro-regional strategies do not bring additional EU funding, the participating countries or regions are expected to do more with what is available to address the challenges and opportunities requiring their cooperation. Putting this principle into practice is not a smooth process. This is especially true for the Danube macro-region, which is very diverse in membership. It covers 14 countries whose development levels and status in relation to the European Union (including their access to EU funding as a result of the latter) are not the same. The wide disparities between the partners have a significant impact on the operation of the strategy.



### In this briefing:

- Background
- The macro-regional concept
- The EU Strategy for the Danube Region
- From words to actions: the strategy in practice
- First stocktaking
- Outlook
- Main references

## Background

The creation of macro-regional strategies stems from the need to ensure [territorial cohesion](#), i.e. a balanced and sustainable development of the EU's territories, an objective introduced by the Lisbon Treaty, which placed it on the same footing as economic and social cohesion. Since then, the macro-regional approach has gained significant ground.

The EU Strategy for the Danube Region ([EUSDR](#)) is one of the three macro-regional strategies currently implemented by the EU, along with the EU Strategy for the Baltic Sea Region ([EUSBSR](#), adopted in 2009) and the EU Strategy for the Adriatic-Ionian Region ([EUSAIR](#), adopted in 2014). Its creation goes back to 2009, when the EU Heads of State or Government, following a call [submitted](#) by Austria and Romania, asked the European Commission to prepare a strategy targeted at the Danube area. The [text](#), accompanied by an [action plan](#), was adopted by the European Commission in December 2010 and endorsed by the [Council](#) and then [European Council](#) in 2011.

The European Parliament (EP), which had been calling for the strategy since 2008, backed the process through the adoption, in January 2010, of a [resolution](#). It stressed, in particular, the Danube Region's potential for the development of enhanced synergies between different EU policies, and of better coordination between regional and local authorities and organisations operating in the area. In February 2011, the EP adopted a [second resolution](#) in which it urged quick endorsement of the EUSDR. It also asked to be kept informed and consulted on the status of implementation and updating of the strategy.

## The macro-regional concept

This type of strategy provides an [integrated framework](#) for cooperation, across EU and non-EU borders, in a particular area known as a 'macro-region'. It aims to mobilise new projects and initiatives with a view to unlocking the potential, improving the integration and strengthening the cohesion of the area covered. Usually defined by geographical features (in this case a river basin), a macro-region includes territory from a number of different countries or regions faced with common cross-border challenges and opportunities [requiring collective action](#). The concept thus has both [a territorial and a functional dimension](#).

The golden rule of the macro-regional approach is to do more with what is available. It [incorporates principles](#) of *integration* (objectives should be embedded in existing policy frameworks, programmes and funding instruments), *coordination* (strategies, policies and funding resources should avoid compartmentalisation between sectoral policies, actors or tiers of government), *cooperation* (both between countries and sectors), *multi-level governance* (involvement of different levels of policy-makers) and *partnership* (between EU and non-EU countries).

Objectives vary according to the needs of the region concerned, but the focus is put on issues of strategic relevance, where there is real potential for adding value in relation to horizontal Community policies.

### Guiding principles

Macro-regional strategies operate on the basis of the '[three Nos](#)' rule:

- No new EU funds;
- No additional EU structures;
- No new EU legislation.

The idea is to better align existing funds and policies at EU, national and regional level and to rely on existing bodies for implementation.

### The EU Strategy for the Danube Region

#### Territorial coverage

Stretching from the source of the Danube River to its delta, the Danube region covers one fifth of the EU's area and is home to [115 million persons](#). The strategy brings together 14 countries:

- **nine EU Member States:** Germany (Baden-Württemberg and Bavaria), Austria, Czech Republic, Slovakia, Hungary, Slovenia, Croatia, Romania and Bulgaria;
- **three current or potential candidates for EU membership:** Serbia, Bosnia and Herzegovina, and Montenegro;
- **two countries covered by the [European Neighbourhood Policy](#):** Moldova and Ukraine.

Figure 1 – Territorial coverage of the Danube region strategy



Source: [European Commission](#), 2011

#### Priorities

The common challenges and opportunities linking the Danube macro-region are structured around four main goals or pillars covering [11 priority areas](#) (see table 1), which were identified after a broad [consultation](#) involving relevant Member States, stakeholders and the public. In line with the integrated approach promoted by the strategy, all priority areas have to be viewed in the context of their links to other policy fields (e.g. environmental protection should be taken into account while trying to improve navigability).

#### Governance model

**At policy level**, four actors come into play (see figure 2): the *European Council* decides on main policy orientations; the *European Commission* acts as a facilitator and guarantor of the EU dimension, coordinates the process, reports on achievements and progress made and organises an [annual forum](#) bringing together the participating countries, the EU institutions and stakeholders; the *High Level Group*, made up of official representatives of all EU Member States (non-EU partners being invited as appropriate), decides for example on the revision of the

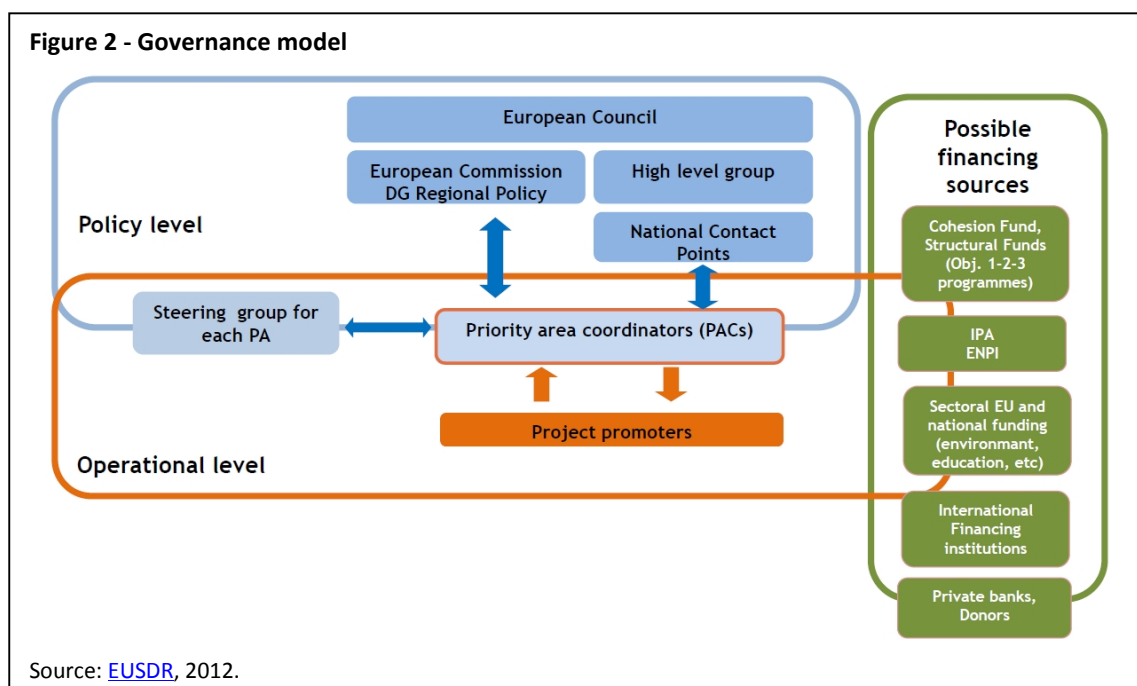
Table 1 - Pillars and priority areas, with leading countries (or regions)

Connecting the region	Protecting the environment	Building prosperity	Strengthening the region
Mobility/intermodality - inland waterways (Austria + Romania) - rail, road and air (Slovenia + Serbia)	Water quality (Hungary + Slovakia)	Knowledge society (research, education, ICT) (Slovakia + Serbia)	Institutional capacity and cooperation (Austria + Slovenia)
More sustainable energy (Czech Republic + Hungary)	Environmental risks (Hungary + Romania)	Competitiveness of enterprises (Baden-Württemberg + Croatia)	Security (Bulgaria + Bavaria)
Culture and tourism, people to people contacts (Bulgaria + Romania)	Biodiversity, landscapes, quality of air and soils (Bavaria + Croatia)	People and skills (Austria + Moldova)	

Source: [EUSDR](#), 2015.

action plan or on strategy targets; the *National Contact Points* provide advice and information and coordinate the participation of their country in the implementation of the strategy.

**At implementation level**, each priority area is coordinated by two participating countries (or regions) working in consultation with the European Commission, relevant EU agencies and regional bodies. Non-EU countries involved always share the responsibility with EU Member States. For each priority area, the responsible countries designate *Priority Area Coordinators*. These high-level officials from national and regional administrations, who are experts in their field, are in charge of the actual implementation of the action plan in their area (overseeing planning, ensuring cooperation between project promoters, programmes and funding sources) and report to the European Commission on progress and difficulties. They are supported by a *Steering Group* consisting of representatives of the Danube region countries, the European Commission and other stakeholders. *Project promoters* look for partners and funding opportunities and report on progress and difficulties. Overall, the idea is to rely on existing structures and bodies.



### Funding

As the strategy does not come with new EU funding, projects and actions under the 11 priority areas have to be financed from existing sources. This implies more efficient use and a better alignment of funds at European, national and regional level. Much is available through the European Structural and Investment Funds,<sup>1</sup> but other EU instruments and programmes can also be mobilised for the strategy, depending on the policy area<sup>2</sup> and on the countries concerned (for example, the [Instrument for Pre-Accession Assistance](#) is available for candidate countries and the [European Neighbourhood and Partnership Instrument](#) for non-EU countries).

Under the [Danube Transnational Programme](#) 2014–20, the region will benefit from an EU allocation of around €222 million, with a contribution of around €202 million from the European Regional Development Fund and a further €20 million from the Instrument for Pre-Accession Assistance.

EUSDR participants are also encouraged to combine grants with loans from international financial institutions such as the [European Investment Bank](#). Between 2009 and 2013, it lent nearly €49 billion in all 14 countries of the region combined.

### From words to actions: the strategy in practice

In order to deliver the priorities identified for each area, the strategy focuses on 'concrete, realistic, coherent and mutually supportive' actions and projects with impacts on the macro-region, as laid down in the [action plan](#). They will be updated or replaced once completed. Regular monitoring is ensured through the [implementation reports](#) established on an annual basis for each priority area.

The EUSDR strategy accounts for over 400 projects worth a total of €49 billion, of which 150 are already being implemented.<sup>3</sup>

#### **Connecting the region**

*Key issues identified:* the unused potential of the Danube river for inland navigation, gaps and deficiencies in road, rail and air infrastructure, especially in cross-border connections, and the need for enhanced multimodality; in energy, the vulnerability of the region regarding security of supply, high prices, market fragmentation, poor interconnection of infrastructure, and lack of efficiency; and the competitiveness of the tourism sector, the need for joint promotion and marketing of the natural and cultural heritage of the region.

*Examples of projects:* the [Danube Shipwreck Removal](#) initiative aimed at improving the navigation and ecological conditions on the river and its tributaries; the [Danube Region Gas Market Model](#), designed to measure the impact of gas infrastructure projects on gas prices in the region.

#### **Protecting the environment**

*Key issues identified:* the need to reduce organic, nutrient and hazardous substances pollution, e.g. by focussing on wastewater treatment; the exposure of the Danube Region Basin to major floods, droughts and industrial pollution; the growing pressure on fauna and flora<sup>4</sup> due to land use intensification, urban sprawl, rapid industry and transport development, as well as dredging and hydraulic engineering projects (damming, embankment, rechanneling etc.).

*Examples of projects:* the [SEERISK initiative](#), aimed at developing and testing a common risk-assessment methodology for the region; the [Danube Sturgeon Task Force](#), created with a view to save native sturgeon species from extinction.

#### **Building prosperity**

*Key issues identified:* the very wide disparities in economic and social terms between the participating countries and regions, as pointed out by experts in an extensive [study](#); differences in innovation systems and competitiveness frameworks; uneven performance in education and training, and problems of discrimination and poverty.

*Examples of projects:* the [Danube Region Business Forum](#), providing a networking platform for over 300 SMEs; the [Danube Region Research and Innovation Fund](#), designed to identify, mobilise and distribute funds for the development of research and innovation activities.

#### **Strengthening the region**

*Key issues identified:* the need for improvement in structures and capacity for private and public sector decision-making; uneven involvement of civil society; problems caused by corruption, smuggling of goods, trafficking in human beings.

*Examples of projects:* the [Danube Financing Dialogue](#), a platform bringing together small and medium-sized enterprises with international financing institutions and national funding sources; the [Danube River Forum](#), aimed at establishing a transnational, cross-border and operative law enforcement cooperation platform for the Danube.

## First stocktaking

### Institutional views

In April 2013, the European Commission presented a [report](#) on the first phase of implementation of the EUSDR, stating the need for adequate financial support and political backing from the participating countries and regions, for sustainable implementation structures guaranteeing continuity, for an increased focus on results, and for enhanced coherence of the strategy with EU policies and programmes.

In June 2013, the Commission published, at the request of the Council, a [report](#) concerning the added value of macro-regional strategies, drawing lessons from both the Baltic and Danube experiences. While highlighting the strategies' positive impact in terms of projects, networks and joint initiatives, improved policy development, improved value for money, greater coordination and integration, promotion of multi-level governance and territorial cohesion as well as enhanced cooperation with neighbouring countries, the report pointed to the need to improve implementation methods. Among the key challenges identified were: political commitment, which varies by country, institution, and decision-making level; funding; operational problems in the administrations concerned, notably due to lack of human resources; and complexity of structures.

In its [conclusions](#) on the added value of macro-regional strategies, the Council insisted, among other things, on how important it was for the Member States concerned to assume ownership over and responsibility for these strategies, as well as to demonstrate readiness to maintain long-term political commitment and translate it into administrative support.

The [Committee of the Regions](#) insisted on streamlining the governance structures and suggested stepping up opportunities for civil society, local, and regional stakeholder participation, while insisting on the need for a clear commitment from, and a leading role for, high-level political players to advance implementation of the strategies.

The Commission [report](#) from May 2014 concerning the governance of macro-regional strategies underlined the need for stronger political leadership from the countries and regions concerned; clearer responsibility, including for decision-making; and greater clarity in the organisation of work, so as to avoid over-dependence on the Commission at strategic and coordination level. Among other solutions, the report suggested a leading role for the ministries hosting the National Contact Points and for sectoral ministries in their relevant thematic areas; a rotating chair; and the nomination of a special representative for each strategy. It also recommended strengthening management at National Contact Point level; increasing civil society participation, including through parliaments and consultative networks or platforms; improving mechanisms to ensure full involvement of non-EU countries; and making better use of existing regional organisations.

### Stakeholders

In an [opinion paper](#) based on practical experience and empirical research in the Danube region, the Danube Civil Society Forum, Foster Europe and the Council of Danube Cities and Regions argued that there is no clear evidence that the operation of macro-regional strategies has contributed to strengthened cohesion and regional economic development. They regretted the absence of transparent mechanisms to involve civil society organisations and local and regional stakeholders in the planning and decision-

making processes, stressing that these actors were poorly embedded in the governance structures. Moreover, they stressed that there was no common procedure regarding these actors' participation; its organisation depending strongly on the quality and capacity of the individual public administration systems and the respective Priority Area Coordinators. They further pointed to lack of staff, funding and expertise impeding the participation of civil society organisations and municipalities, especially in the less-developed areas covered by the macro-regional strategies. Civil society and local stakeholder participation, as well as capacity-building efforts, would only be successful if there is active political support from the Commission and the participating countries, given that they are the main drivers of the policy-making and implementation processes of the macro-regional strategies, according to a 'top-down' coordination mechanism.

## Outlook

### Involvement as the main challenge

#### *Steering structures*

During the Third Annual Forum of the EUSDR in June 2014, the Ministers of Foreign Affairs of the participating states [agreed](#), in line with the recommendations formulated in the governance report, to strengthen the strategy's steering structures. They confirmed, among other things, the annually rotating chair and agreed to look into the functions and financing of a Danube Strategy Point, which could act as an EUSDR secretariat.

#### *Local stakeholders' involvement*

With the organisation of the First EUSDR Participation Day, civil society and local actors were for the first time formally involved in the official agenda of the EUSDR Annual Forum 2014. This led to the adoption of the Eisenstadt [Declaration](#), in which participants called for the organisation of regular hearings by National Contact Points and Priority Area Coordinators with local communities/municipalities and civil society, and suggested the development of an 'EUSDR Road Map to Democracy and Participation', to be presented at the Fourth Annual Forum in October 2015.

#### *Resources and participation*

As pointed out by [experts](#), one of the main difficulties faced by the Danube Region Strategy lies in the inability to overcome pre-existing disparities between the participating countries and regions, mainly because they have unequal access to resources, different capacities and skills to exploit existing opportunities, and different political cultures. The financial gap between the participants has an impact on their involvement. Improving the absorption of funds among new Member States and neighbouring countries is therefore a key issue, which is intrinsically [linked](#) with the availability of national co-financing, with the institutional capacities to conceive and develop projects, and the skills required to implement them. The European Parliament drew attention to this aspect at a very early stage in the drafting of the strategy, when it called for a 'coordinated approach aimed at more efficient and [higher absorption of all available EU funds](#) in the states along the Danube'. The problem is even more acute for non-EU countries, and represents a significant challenge to their meaningful participation and inclusion in the macro-regional strategy. This has been illustrated, for example, in a [recent socio-economic study](#), pointing to the lack of involvement of less-developed regions of south-east Europe and especially of Moldova and Ukraine in economic cooperation activities.

## Main references

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[Socio-Economic Assessment of the Danube Region: State of the Region, Challenges and Strategy Development](#), Centre for European Economic Research GmbH, Mannheim, March 2014.

[Report concerning the governance of macro-regional strategies](#), COM(2014) 284 final, May 2014.

New role of macro-regions in European territorial cooperation, [study](#) (with [annex](#)) prepared by Policy Department B on Structural and Cohesion Policies at the request of the European Parliament's Committee on Regional Development, January 2015.

## Endnotes

<sup>1</sup> In the 2014-20 period, [about €100 billion](#) is allocated to the Danube Region Member States (excluding Baden-Württemberg – [ERDF](#) and [ESF](#) allocations and Bavaria – [ERDF](#) and [ESF](#) allocations) under EU cohesion policy.

<sup>2</sup> See, as an example, the possible financing sources for [Research and Innovation activities](#).

<sup>3</sup> Data from 2013. Source: [Report concerning the added value of macro-regional strategies](#), COM(2013) 468 final.

<sup>4</sup> Particularly rich in the Danube delta, included since 1991 in the Unesco list of [World Heritage sites](#).

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