SOUTH EAST
EUROPE
Transnational Cooperation Programme

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Final Report 31 March 2011

Background study to support the "strategic project generation process" in SEE programme area

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Executive Summary

The overall objective of the assignment as set out in the Terms of Reference is to carry out an analysis for the identification of **strategic themes** to be supported by the Transnational Cooperation Programme South East Europe (SEE) considering the current programming period and the latest literature developed in the field.

Per definition this identification of the strategic themes is basically a **top-down approach**. The methodology, however, incorporated also indirect bottom-up elements in order to deliver an integrative result.

The **main pillars of the methodology** were:

- **External drivers**, as the main top-down element, directly or indirectly influencing the operating environment of the SEE-Programme;
- **Internal drivers**, as the bottom-up reaction of the SEE-area stakeholders and applicants to the "offering" of the Programme and
- Last but not least the "**SEE expert group"** as the reflection instrument of the conclusions derived from the study of the internal and external drivers.

Under External Drivers we understand: Changes in the framework conditions, after the finalisation of the Programme in 2007, affecting the key theme development. Such changes were EU-policy related; e.g. the EUROPE 2020 strategy, the EU strategy for the Danube Region, the 5th Cohesion Report (all published in 2010) or of global relevance like the effects of the global recession. In addition changes in the sectoral policy framework have been taken into account as well as the performance of Convergence and Regional Competitiveness programmes and the development of strategic projects in other transnational programmes have been considered.

Under Internal Drivers we understand: The need for key themes of major interest to be pushed forward which have not been satisfactorily addressed so far. The identification of these needs is based on the content of the specific Areas of Intervention (AoI) and the thematic spectrum of the approved operations in the first two calls in 2009 and 2010 as well as the definition of strategic directions on specific topics of the four Priority Axes which have been elaborated by JTS and the Monitoring Committee (MC) in 2010.

Under SEE expert group we understand: a small and thus manageable group of thematic experts from SEE countries covering all Areas of Intervention of the Programme which assembled in a number of dedicated workshops commenting the analysis of the external and internal drivers and sketching new concepts based on the conclusions of the workshops.

The **result of this process** was the development of **29 proposed strategic themes**, which are presented in the table below. In Chapter 1.7 a description of the relevance, the global objective, main outcomes and envisaged project partners for each strategic theme is provided.

The **utilisation** of these strategic themes is twofold:

- Strategic themes already developed by the JTS (the strategic directions on specific topics mentioned above) have gone through the same analysis and "control & validation" process as all other themes and will be used for the **3rd call** for proposal (launch of selected themes) and
- All other strategic themes will be used as a guideline for **4th call** for proposal as a **source of assistance and inspiration** to the prospective applicants.

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Table 1. Strategic themes per Area of Intervention

Priority Axis 1 Facilitation of innovation and entrepreneurship	
AoI 1.1 Develop technology & innovation networks	No proposal due to low need to develop Strategic Projects
AoI 1.2 Develop the enabling environment for innovative entrepreneurship	No 1. Regional Cluster Development No 2. Innovation in services No 3. Advanced business and technology support services
AoI 1.3 Enhance the framework conditions and pave the way for innovation	No 4. Regional Platforms for Innovation policy development and learning No 5. Foster Entrepreneurial Learning No 6. Innovative solutions in public procurement No 7. Public Innovation
Priority Axis 2 Protection and improvement of the environment	
AoI 2.1 Improve integrated water management and flood risk prevention	No 8. Climate Change adaptation No 9. Warning and civil protection systems
AoI 2.2 Improve prevention of environmental risks	No 10. Risks in hot spots and urban zones
AoI 2.3 Promote co-operation in management of natural assets and protected areas	No proposal due to low need to develop Strategic Projects
AoI 2.4 Promote energy and resource efficiency	No 11. SEE resources consumption foresights No 12. Energy and resource efficient transport No 13. Development and marketing of renewable energy
Priority Axis 3 Improvement of the accessibility	
AoI 3.1 Improve co-ordination in promoting, planning and operation for primary & secondary transp. networks	No 14. Network of Hub Cities No 15. High quality freight network No 16. Coastal ports and hinterland infrastructure No 17. Monitoring of studies and development plans No 18. Transport infrastructure investments and cohesion
AoI 3.2 Develop strategies to tackle the "digital divide"	No 19. Alternative provision of ICT access
AoI 3.3 Improve framework conditions for multi-modal platforms	No 20. Access to intermodal freight made easier No 21. Customs procedures acceleration No 22. Traffic flows monitoring
Priority Axis 4 Development of transnational synergies for sustainable growth areas	
AoI 4.1 Tackle crucial problems affecting metropolitan areas and regional systems of settlements	No 23. Demographic Change No 24. Foster competence and transparency in Urban Planning No 25. Promote a new generation of PPPs for better delivery of public goods and services in non-metropolitan areas No 26. Competences for Green Urban Technologies No 27. To fight social exclusion of Roma population in the SEE area
AoI 4.2 Promote a balanced pattern of attractive and accessible growth areas	No 28. Building Metropolitan Regions No 29. Strengthen integrated planning approaches to contribute to a resource efficient urban development in SEE
AoI 4.3 Promote the use of cultural values for development	No proposal due to low potential to develop Strategic Projects

Source: Metis

1 Analysis of strategic themes

1.1 The Task assigned

The South East Europe Programme has launched a process for the formulation of "strategic themes".

The programme so far has given a lot of consideration to the definition and generation of strategic projects from the onset as foreseen in the SEE Operational programme (Chapter 4.2.3 and 7.2) and in the discussions during the elaboration of the SEE Programme Manual.

The Operational Programme defines that "…*Additional and in response to the need to strengthen the programme's strategic character and its visibility and to concentrate efforts, the programme adds a strategic top-down component ("targeted calls") to the mainstream bottom-up involvement of actors. Specifically, the programme encourages and actively guides the development of a number of transnational projects, which are of* **particular strategic value** *to the programme"* (section 4.2.3, p. 60).

Cornerstones of the "strategic themes" generation process can be divided in two categories, namely

- **External drivers like**
  - Effects of global recession,
  - Development and changes in the EU policy framework,
  - Performance of Convergence and RCE programmes in SEE,
  - Strategic projects in other transnational programmes; and

- **Internal drivers like**
  - The content of the specific Area of Intervention (AoI) and the thematic spectrum of the approved operations in the first two calls in 2009 and 2010,
  - The need for strategic projects to drive forward specific themes of major interest, which have not been satisfactorily addressed so far,
  - The definition of strategic directions on specific topics of the four Priority Axes which have been elaborated by JTS and the Monitoring Committee (MC) in 2010.

Within the coordinates posed by these drivers, the SEE Programme is seeking for **strategic themes**, supported by **sound justification of the needs and the suitability** of a transnational cooperation programme to address them.

Correspondingly, strategic themes should be developed firstly against the background of changing framework conditions (changing the relevance of fields of action as External drivers) and secondly in the light of the specific context of each policy area (specific needs to be tackled to achieve objectives more effectively by means of strategic projects as Internal driver).

In this context Metis was assigned by the Joint Technical Secretariat (JTS) with the provision of services related to the following tasks:

- Carry out an analysis for the identification of key themes to be supported by transnational cooperation (considering the current programming period and the latest literature developed in the field),
- Discuss the results of the analysis with the MA/JTS in order to get inputs/feedbacks,
- Support the presentation of the results to the MC and,
- Contribute to the final definition of a list of strategic themes to be used as guidance and inspiration for the programme and the potential applicants.

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1.2 Definition of a Strategic Theme

For the generation of strategic themes and projects, a fundamental answer to the question "What is a strategic project" is needed. Specifically: What is meant by "strategic"? What distinguishes strategic projects from regular projects? What are criteria to characterize strategic projects?

The following criteria may serve as a basis for assessing the strategic quality of transnational co-operation projects.

A Strategic Theme...

- is relevant for the entire territory of programme area (minimum eight SEE countries represented, integration of Western Balkan Countries);
- is politically sustained (high political commitment, coherent with national or regional policy framework);
- addresses key European Policy issues (e.g. Europe 2020, Danube Region Strategy, Cohesion Policy);
- is implemented through the best possible partnership involving key actors (max. three financing partners per country);
- implies strong links with other policy instruments (ideally mobilisation, preparation and pilots by SEE programme, broader implementation by other instruments), and
- complements missing project types in the portfolio of at present approved projects.

The Priorities and Areas of Intervention of SEE Operational Programme remain the clear basis for reference.

The right partners are those who have a clear mandate to tackle the issues at stake and who can take the necessary policy decisions based on right competences. Partnership must have the capacity and the right to change what needs to be changed and must have access to further funding if necessary.

A further concern of strategic project development is the enhanced involvement of IPA countries. The integration of IPA funds in the SEE Programme goes in the direction of a better cooperation between candidate/potential candidates and EU Member States as also envisaged by the EU Strategy for the Danube Region.

1.3 External drivers - changes in the Framework Conditions effecting strategic theme development

The purpose of this section is to outline the most important "global" changes in SEE and beyond that have an influence on the framework of the definition of strategic themes within the Programme.

The **guiding** question is: Is there a shift in policy priorities (expressed in terms of strategic themes to be tackled) in SEE programme necessary in response to changes in the framework conditions?

The **following specific questions** related to framework conditions should be briefly answered:

- Are changes in the overall and specific **EU policy framework** related to the SEE programme priorities effecting policy priorities (e.g. changing the relevance of fields of action)?
- Is the actual **performance of Convergence and RCE programmes** in the SEE area effecting policy priorities? (the ETC programme is intended to act as a complement to the other objectives)
- To what extent has the **global recession** led to any widening of disparities in SEE programme area?
- Is the development of **strategic projects** in other transnational programmes (CENTRAL EUROPE, Mediterranean and Alpine Space) effecting the choice of strategic themes in SEE?

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1.3.1 EUROPE 2020 – A European strategy for smart, sustainable and inclusive growth (March 2010)

The Commission has launched the Europe 2020 Strategy in March 2010.

As illustrated in the graph below, this strategy envisages putting forward three mutually reinforcing priorities for future European policies through concrete actions at EU and national levels which are mutually reinforcing the economic, social and territorial cohesion:

- Smart growth for developing an economy based on knowledge and innovation;
- Inclusive growth fostering an inclusive society with high levels of employment, better involvement of women, older workers and migrants as well as higher educational attainment;
- Sustainable growth for a more resource efficient, greener and more competitive economy.

Figure 1. The EU 2020 Strategy
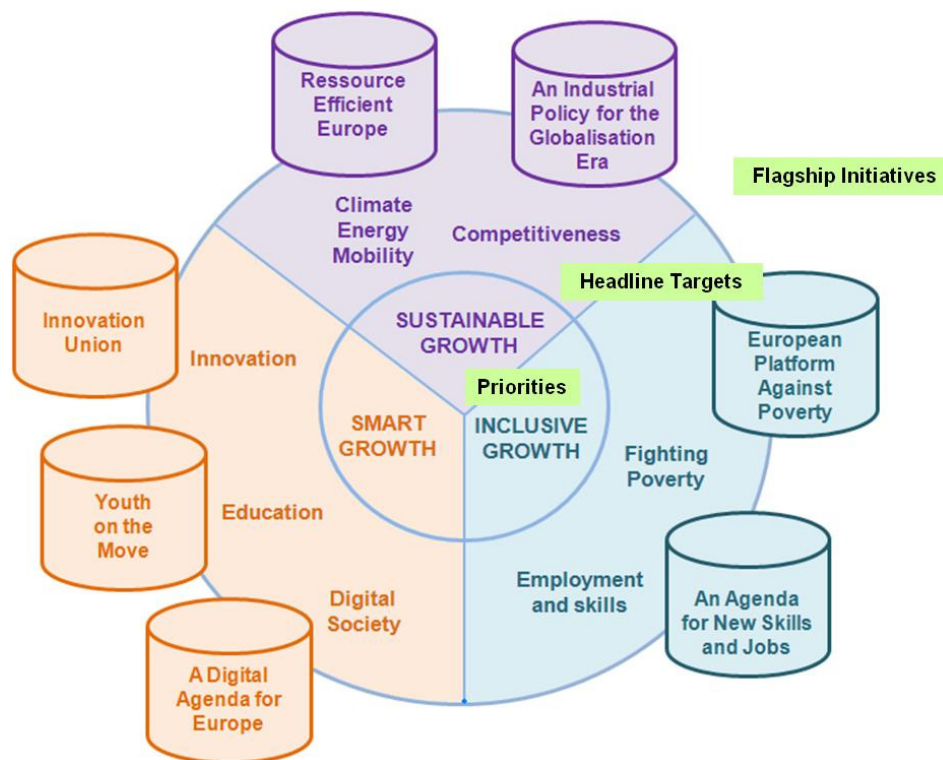
Source: Destatte, Phillippe (2010) The EU 2020 Strategy and the Regions

Five quantified targets have been set[1] referring to innovation, employment, climate change, education and poverty that are explicitly not declared exhaustive and should be supplemented by the national targets. These targets are strongly interrelated and mutually re-enforcing. All European policies, instruments and legal acts are to be mobilized to support these targets.

Furthermore, the EU 2020 includes seven flagship initiatives which are under the three priorities. Thereby the following are of certain importance to the SEE OP:

- Innovation Union
- A digital agenda for Europe
- Resource efficient Europe
- An industrial policy for the globalization era.

Proposed actions under the flagship initiatives on which Member States will need to work on have been linked to SEE priorities and AoIs in order to develop strategic themes (see the detailed table in the annex).

The following SEE AoIs are **directly addressed** by flagship initiatives:

- AoI 1.1 Develop technology & innovation networks in specific fields
- AoI 1.2 Develop the enabling environment for innovative entrepreneurship
- AoI 1.3 Enhance the framework conditions and pave the way for innovation
- AoI 2.4 Promote energy and resource efficiency
- AoI 3.1 Improve co-ordination in promoting, planning and operation for primary & secondary transportation networks
- AoI 3.2 Develop strategies to tackle the "digital divide"
- AoI 3.3 Improve framework conditions for multi-modal platforms

The following SEE AoIs are **not directly addressed** by flagship initiatives:

- AoI 2.1 Improve integrated water management and flood risk prevention
- AoI 2.3 Promote co-operation in management of natural assets and protected areas
- AoI 4.3 Promote the use of cultural values for development

The following SEE AoIs are **partly addressed** by flagship initiatives:

- AoI 2.2 Improve prevention of environmental risks (in the context of combating climate change)
- AoI 4.2 Promote a balanced pattern of attractive and accessible growth areas (in the context of spatial interaction patterns and impacts of the Flagship Initiatives listed above).

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[1] 75% of the population aged 20-64 should be employed; 3% of the EU 's GDP should be invested in R&D; the « 20/20/20 » climate/energy targets should be met (including to 30% of emissions reduction if the conditions are right); the share of early school leavers should be under 10% and at least 40% of the younger generation should have a tertiary degree; 20 million less people should be at risk of poverty.

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Table 3. Correspondence with EUROPE 2020 strategy

SEE Operational Programme 2007-2013	EUROPE 2020 strategy
Priority Axis 1 Facilitation of innovation and entrepreneurship	
AoI 1.1 Develop technology & innovation networks in specific fields	fully linked to the flagship Initiative "Innovative Union"
AoI 1.2 Develop the enabling environment for innovative entrepreneurship	fully linked to the flagship Initiative "An industrial policy for the globalisation era"
AoI 1.3 Enhance the framework conditions and pave the way for innovation	fully linked to the flagship Initiative "Innovative Union"
Priority Axis 2 Protection and improvement of the environment	
AoI 2.1 Improve integrated water management and flood risk prevention	not directly covered by flagship initiatives
AoI 2.2 Improve prevention of environmental risks	indirectly covered by flagship initiatives
AoI 2.3 Promote co-operation in management of natural assets and protected areas	not directly covered by flagship initiatives
AoI 2.4 Promote energy and resource efficiency	fully linked to the flagship Initiative "Resource efficient Europe"
Priority Axis 3 Improvement of the accessibility	
AoI 3.1 Improve co-ordination in promoting, planning and operation for primary & secondary transportation networks	fully linked to the flagship Initiative "Resource efficient Europe"
AoI 3.2 Develop strategies to tackle the "digital divide"	fully linked to the flagship Initiative "A Digital Agenda for Europe"
AoI 3.3 Improve framework conditions for multi-modal platforms	fully linked to the flagship Initiative "Resource efficient Europe"
Priority Axis 4 Development of transnational synergies for sustainable growth areas	
AoI 4.1 Tackle crucial problems affecting metropolitan areas and regional systems of settlements	partly linked to flagship Initiative "European Platform against Poverty"
AoI 4.2 Promote a balanced pattern of attractive and accessible growth areas	indirectly covered by flagship initiatives
AoI 4.3 Promote the use of cultural values for development	not directly covered by flagship initiatives

Source: Metis

1.3.2 5th Cohesion Report on economic, social and territorial cohesion (November 2010)

In contrast to the Europe 2020 strategy and it flagship initiatives pursuing a growth model comprising a smart, inclusive and sustainable approach with less emphasis on the territorial cohesion dimension, the 5th Cohesion Report addresses (in its conclusions part[2]) explicitly the strengthening of the multilevel governance system in view of introducing the third dimension: territorial cohesion (in addition to social and economic dimension)

This is in line with the Treaty of Lisbon (the Treaty was signed on December 13th, 2007, and came into force by December 1st, 2009), that recognizes territorial cohesion as the third dimension of Cohesion Policy.

Accordingly, an ambitious urban agenda should be developed where financial resources are identified more clearly to address urban issues and urban authorities would play a stronger role in designing and implementing urban development strategies. In this context, the role of local development approaches under cohesion policy should be reinforced, for example by supporting active inclusion, fostering social innovation, developing innovation strategies or designing schemes for regeneration of deprived areas.

In the context of the thematic fields of the SEE programme, the following remarks are worth noting:

- Innovation (related to PA1): in the less developed areas the <u>absorption and diffusion of innovative practices</u> developed everywhere should be emphasized, while education should be a mainstay for all regions.

- Environment (related to PA2): impacts of climate change are expected to be <u>more adverse in Eastern and Southern Europe</u>, heavily affecting dominant functions such as agriculture and tourism. Taking in account the diverse geomorphology of the SEE area, the hazards are also expected to be equally diverse (i.e. floods AND droughts). Energy consumption is expected to rise, hence affecting the share of renewable energies in the energy mix and level of emissions. However SEE-specific solutions will have to be sought (e.g. regarding settlements and interaction patterns, building owner structures etc.). Waste, wastewater treatment and air pollution the situation is improving, however "rebound effects" can hinder any positive trends.

- Infrastructure and accessibility (related to PA3): <u>Disparities in infrastructure endowment remain broad</u>. Broadband internet coverage is still a prime concern. Considering transport infrastructure, national policies foresee large investments (While those investments do not directly concern the SEE transnational cooperation programme, they definitely influence its operating environment and the need for cooperation and coordination). Two aspects to be addressed more efficiently in future are the improvement of the situation in rural and peripheral areas and the negative development impacts for areas lagging behind after being connected to growth poles ("leaking by linking").

- Concentration and Institutional capacity (related to PA4): the report emphasizes on the <u>need of a concentration of resources and an integrated, area-based principle</u>. There is particular focus on the role of cities, functional areas, areas facing specific geographical or demographic problems and macro-regional strategies[3]. Closely related to these issues

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[2] Conclusions in the download version, see

http://ec.europa.eu/regional_policy/sources/docoffic/official/reports/cohesion5/index_en.cfm

[3] in this aspect consult also com(2010) 642 final on conclusions from the 5th Cohesion Report and the future of Cohesion Policy

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is the element of institutions as crucial elements for integrated development. Topics mentioned are fiscal stability of public administrations, e-government and transparency and efficiency of public bodies.

1.3.3 EU Strategy for the Danube Region (December 2010)

The newly elaborated EU Strategy for the Danube Region (DRS) provides an overall framework for parts of South East Europe programme area aiming both to foster integration and integrative development.

The Danube Region covers 12 countries (Austria, the Slovak Republic, the Czech Republic, Hungary, Slovenia, Romania and Bulgaria as Member States of the EU as well as Croatia, Serbia, Bosnia and Herzegovina, Montenegro and the Republic of Moldova) plus the 'Danubic'[4] regions of Germany and the Ukraine.

Thus, the Danube Region covers most of the SEE countries (12 out of 16) with the exception of Albania, FYROM, Greece and Italy.

The open-ended EU Strategy for the Danube Region[5] was adopted in December 2010. The strategy includes four pillars (1) Connecting the Danube Region, (2) Protecting the environment in the Danube Region, (3) Building prosperity in the Danube Region and (4) Strengthening the Danube Region and is accompanied by a "rolling" Action Plan[6] breaking down eleven Priority Areas into actions and project examples (see further details in the final version of the Action Plan).

The Danube Strategy covers a broader thematic approach (e.g. focusing on "employment and social inclusion") compared to the SEE OP. However, all Areas of Intervention (AoI) of the SEE OP are covered by the former.

The Danube Region Strategy indicates no reasoning to modify the weighting of priorities in the SEE programme. The annex of this report provides a detailed list of the Strategy's Actions and Project examples linked to SEE priorities and Areas of Interventions which are taken into account in order to develop strategic themes.

In the following table an overview of the thematic overlaps between the EU Strategy for the Danube Region and the South East Europe OP is illustrated:

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[4] In this context the term "danubic" does not arise from the usual "danubian", referring only to the river itself. "Danubic" refers to the political concept of Danube Region, a space delimited by socio-economic and political consideration.
[5] COM(2010) 715 final
[6] SEC (2010) 1489 final

Table 4. Correspondence with EU Strategy for the Danube Region

SEE Operational Programme 2007-2013	EU Strategy for the Danube Region
AoI	**Priority Area level**
Priority Axis 1 Facilitation of innovation and entrepreneurship	**Pillar C) Building Prosperity in the Danube Region**
AoI 1.1 Develop technology & innovation networks in specific fields	**PA 7)** To develop the knowledge society through research, education and information technologies
AoI 1.2 *Develop the enabling environment for innovative entrepreneurship*	**PA 8)** To support the competitiveness of enterprises including cluster development
AoI 1.3 Enhance the framework conditions and pave the way for innovation	**PA 7)** To develop the knowledge society through research, education and information technologies
Priority Axis 2 Protection and improvement of the environment	**Pillar B) Protecting the environment in the Danube Region**
AoI 2.1 Improve integrated water management and flood risk prevention	**PA 4)** To restore and maintain the quality of waters **PA 5)** To manage environmental risks
AoI 2.2 Improve prevention of environmental risks	**PA) 5** To manage environmental risks
AoI 2.3 Promote co-operation in management of natural assets and protected areas	**PA 6)** To preserve biodiversity, landscapes and the quality of air and soils
AoI 2.4 Promote energy and resource efficiency	**PA 2)** To encourage more sustainable energy
Priority Axis 3 Improvement of the accessibility	**Pillar A) Connecting the Danube Region**
AoI 3.1 Improve co-ordination in promoting, planning and operation for primary & secondary transportation networks	**PA 1)** To improve mobility and multimodality
AoI 3.2 Develop strategies to tackle the "digital divide"	**PA 7)** To develop the knowledge society through research, education and information technologies
AoI 3.3 Improve framework conditions for multi-modal platforms	**PA 1)** To improve mobility and multimodality
Priority Axis 4 Development of transnational synergies for sustainable growth areas	**Pillar D) Strengthening the Danube Region**
AoI 4.1 Tackle crucial problems affecting metropolitan areas and regional systems of settlements	**PA 10)** To step up institutional capacity and cooperation
AoI 4.2 Promote a balanced pattern of attractive and accessible growth areas	**PA 10)** To step up institutional capacity and cooperation
AoI 4.3 Promote the use of cultural values for development	**PA 3)** To promote culture and tourism, people to people contacts

Not mentioned in the SEE OP but in the EU Strategy for the Danube Region	**PA 9)** To invest in people and skills **PA 11)** To work together to promote security and tackle organized and serious crime

Source: Metis

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1.3.4 Performance of Convergence and RCE programmes in the SEE programme area in the light of financial and economic recession

European Territorial Cooperation (ETC) is intended to act as a complementary instrument to Convergence and Regional competitiveness and employment (RCE) objective. Transnational cooperation programmes under ETC objective strengthen the cooperation structures in a specific territory linked to Community priorities. It has to be noted, that ETC develops the cooperation and not the area which is done by other instruments. This specific purpose of ETC – being not ETD (European Territorial Development) – is underpinned by the fact that funds available for the SEE transnational cooperation programme represent only a very small part of total public funds available for territorial development.

This section summarizes the progress made in pursuing the development programmes under Convergence and RCE objective being funded by the ERDF and Cohesion fund in the period 2007 up to end 2009 (three years implementation) on basis of 2009 Annual Implementation Reports[7]. At this point it should be noted that at present no study exists which attempts any kind of link between the SEE countries Convergence and RCE programmes and the SEE transnational cooperation programme. Such a challenge would require systematic screening of the implementation of all geographically congruent Operational programmes and goes clearly beyond the scope of the present report.

Generally speaking expenditures at the end of 2009 were in the EU-12 (New Member States since 2004) significantly lower (4% of allocated funds) than in the EU-15 (9%). This picture is also valid for the SEE programme area. On the one hand, a relatively high implementation rate was observed in Austria (13%). On the other hand, little progress in implementing the policy was achieved in Romania and Bulgaria where just 1% of allocation was spend at end 2009. The implementation rates were also low in Slovakia, Greece and Hungary (below 4%). Italy had a slightly better implementation rate of 7%.

The significant delays especially in the EU-12 Member States are caused by lack of experience, insufficient competence or capacity and planning difficulties. Despite progress in some areas the skills and organisation of administration and potential beneficiaries (e.g. local governments) continue to be a major factor of concern.

SEE countries such as Romania and Bulgaria are relying heavily on Structural Funds as source of finance for an ambitious investment programme aiming to bridge the gap with more advanced countries. Therefore, it is very unfavourable for further cohesion – despite of a growth potential which is still higher than in many countries – that this source is failing to live up to expectations due to the absence of administrative capacity.

Besides this main explanation for the delay in implementing the policy, the recession affected ERDF programmes in many Member States. The main effect has been to slow down progress in implementing programmes due to declining demand for enterprise support, unexpected closure of plants and decline of production and resulting postponement of investments. The recession led in many Member States to a rapid worsening of local government finances because of fall in receipts from taxes on income and business profits. This resulted in a decline in the national resources for regional development, as well as a decline in the available national co-financing. Therefore ERDF co-financed projects had to be postponed or cancelled completely because there was no possibility of matching funds (this is not the case for large national projects). Moreover considerable regional disparities existed before the recession, yet the crisis and the economic pull of the large cities aggravated the situation (e.g. in Bulgaria, Hungary).

The following findings are evident:

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[7] On basis of Country Reports and draft Synthesis Report delivered by the Evaluation Expert Network contracted by DG Regional Policy

- **Convergence** of EU-12 countries (such as Hungary) towards the more developed EU members **has practically been halted**.
- Currently **disintegration** in the SEE co-operation area is **observable** especially with the Member States with growing economic differences and lacking abilities to perform in EU-programmes.
- In addition **territorial inequalities within the countries are increasing**. A successful process of modernization took partly place, however structural and regional disparities remained substantial and were intensified through the economic crisis and follow-up effects on public finances. The recession of public finances concerns particularly regional and local governments.
- A main challenge is to insist on the **improvement of the administrative skills and intra-administrative cooperation**. In particular administration at the lower level remains problematic. Sub-regional level prefectures and city councils do not dispose of the know-how and technical services to prepare their projects to be included in the (regional) programmes.

While the SEE programme does not possess the funds for redirecting the existing trends, it can make a significant contribution to the <u>reorientation of co-operation patterns and motivation for joint action in particular in the field of multi-level-governance</u> (e.g. improved regional innovation strategies connected to national policies).

1.3.5 IPA countries, Enlargement Strategy and Main Challenges in 2010-2011

The EU's enlargement process has maintained its dynamic in the SEE[8], although recent developments in other sectors have definitely overshadowed the process. Global economic crisis has also hit hard some of the IPA countries in the area, although they demonstrate high resilience. This is to a certain extent also due to their low integration in the global markets. In any case public finances remain under pressure, while lacking the fiscal margin of manoeuvre and the capacity needed to prioritise public spending as a fiscal countermeasure in response to the crisis. These global effects definitely influence the capacity of IPA partners to participate into the SEE programme.

Taking thus in account the narrow room for manoeuvre for project aspirants from IPA countries and the declared aim of the Commission to "…take into account the priorities of the Europe 2020 strategy, when programming IPA assistance…" it is reasonable to assume thematic congruence with the topics that refer to Member States and make use of existing structures and networks within the IPA countries. At this stage a formulation of common needs is not feasible before a narrower set of themes has been identified. Instead of pinpointing single external drivers, it is more helpful to list relevant tools, partners and themes relevant to the IPA countries where they could be embedded to. Such tools are:

- Regional Cooperation Council activities for dialogue and peer review in other areas in line with Europe 2020 priorities and especially the Transport Treaty and rehabilitation of cultural heritage, in the context of the Ljubljana process,
- Central European Free Trade Agreement, especially regarding liberalisation of trade in agricultural products and services across the region and the opening of public procurement markets (e.g. related to PA3 and PA1),
- the Energy Community of South East Europe (ECSEE) (related to PA2),
- the Regional School of Public Administration (ReSPA) in Montenegro (related to PA4),
- the Western Balkans Investment Framework (WBIF), the European Fund for South-East Europe (EFSE) and the Green for Growth Fund (GGF) (related mainly to PA3 and PA4).

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[8] COM(2010) 660, Enlargement Strategy and Main Challenges 2010-2011

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At this point it should be noted that no publication or study exists which attempts any kind of link between the IPA countries Multi-annual Indicative Planning Documents (MIPD) and the SEE transnational cooperation programme. Such a challenge would require systematic screening of all geographically congruent OPs and goes clearly beyond the scope of the present report.

1.3.6 Changes in the Innovation policy framework

The three interrelated EU main policy documents (Integrated Guidelines, Spring European Councils priorities and a broad-based innovation strategy for the EU) can be seen as "highest level guidelines" for innovation.

A key ambition in this priority area is the implementation of the broad based innovation strategy forming the EU Policy Framework to promote Innovation (Council 2008). The Commission's communication on innovation 'Putting knowledge into practice: A broad-based innovation strategy for the EU' adopted in September 2006 (COM(2006) 502), favours a wide-reaching approach, stimulating both the supply and demand side of innovation and mobilizing all relevant actors and resources, down to the local and regional levels. The communication defines ten actions, which are of particularly high political priority as part of the Lisbon strategy for growth and jobs (e.g. mobilize the EU's cohesion policy for the period 2007-2013 in support of regional innovation; Foster lead-markets; Making public procurement work for innovation).

At the Community level, the Union possesses several instruments for a broad-based EU innovation policy such as Cohesion policy instruments, the Research Framework Programme (FP7 2007-2013) and the Competitiveness and Innovation Framework Programme (CIP 2007-2013). The legal basis of these instruments is as diverse as their implementation methods. Further innovation issues cut across many European Commission domains. A future challenge will be to build bridges between these instruments and domains. According to the Community Strategic Guidelines (2006/702/EC) the key to a coherent support strategy for research, technological development and innovation lies with the Member States and the regions.

In September 2009, the Commission presented a Communication with an assessment of the broad-based innovation strategy[9] accompanied by reviews of the Lead markets Initiative, innovation in services, financing innovation in SMEs and the effectiveness of innovation support measures. The assessment shows that there are major challenges to be mastered (COM 2009 p: 8): despite efforts at both EU and Member State level, innovation and entrepreneurship are not yet sufficiently recognised as values by the broader public in Europe (awareness aspect); lacking use of new technologies to address challenges such as demographic and climate change; the potential for using the public sector's purchasing power to drive innovation remains largely untapped (innovative procurement aspect).

It is concluded, that there is no lack of innovation support programmes in the EU in terms of numbers. The problem is a lack of critical mass and coherence. Today, innovation support at EU-level involves seven different Commission services, various agencies and 20 committees with representatives from Member States (COM 2009 p: 10).

Therefore it is highly recommended to enhance the governance of the EU innovation system. The coordination of policies to support innovation at regional, national and EU level has to improve significantly and a better governance system is needed, based on the principles of subsidiarity. That means, better exploiting the added value of setting common objectives, agreeing on common actions and sharing best practises among Member States.

The reflections on future innovation policy are an integral part of the Europe 2020 strategy.

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[9] Commission (September 2009): Reviewing Community innovation policy in a changing world Brussels; COM(2009) 442 final

1.3.7 Changes in the Transport Policy Framework

In February 2009 the Commission released the Green Paper on a TEN-T: A policy review[10], asking which objectives have been met, where are the obstacles and to what means are needed to fully achieve tomorrow's TEN-T policy objectives. The results of the Public Consultation have been presented in September 2009.

Strongly summarised the topics addressed in the consultation refer to:

- Development of a comprehensive network approach in comparison to single projects definition, including enhanced participation at the regional level and coordination between different fund sources (National funds, Cohesion Fund, Structural Funds etc.)
- Command and control tools such as benchmarking of progress, penalties for delays, adoption of EC Court of Auditors recommendations etc.,
- Planning, Evaluation and Monitoring tools, including traffic forecasting, transport and the environmental reporting mechanisms, project appraisal beyond CBA, modes of financing, Information Technology Systems (ITS) etc.

As a resume it could be stated that the responses of the stakeholders indicate a paradigm shift from a high level, top-down identification of single interventions to **more comprehensive, inclusive and continuous development of the TEN-T network**. Hand in hand with such an approach goes the expressed need for more **visibility and clarity** for the EU citizens.

As a next step the Commission has adopted in July 2009 a proposal on the Recast of Community guidelines for the development of the trans-European transport network[11].

In the Recast proposal, the TEN-T emphasizes on sustainable mobility, contribution to economic, social and territorial cohesion, intermodality and links to the countries outside the Union. The Scope of the TEN-T network is defined in the spheres of **transport infrastructure, traffic management systems and positioning and navigation systems**. Considering the overall approach, the proposal focuses on the one hand on network outline plans and the combination of transport modes and on the other hand on the identification of projects of common interest.

The last development in the Transport Sector is the publication of the mid-term review of the 2007-2013 multi-annual work programme (MAP) in October 2010, examining to what extent and under what conditions the Multi-Annual Programme is expected to achieve its stated objectives and to propose possible improvements.

The Multi-Annual Programme especially supports complex projects with a long-term perspective. All of these projects are particularly subject to changes in legal, financial and political environments. The main challenges and risks include long term planning and investments. Projects involving several countries, also known as cross-border projects, often face additional coordination, management and funding difficulties in comparison with similar national projects. 23% of the projects in the 2007-2013 MAP review project portfolio with a total allocation of 60.2% of the TEN-T funding for the portfolio are cross-border projects. Due to the long term planning involved in most projects of the MAP portfolio, an extension of the TEN-T financial support until 2015 is envisaged. In the context of the SEE programme, this can be seen as a stability factor for the relevance and usability of any interventions implemented within the life span of the Programme.

In the context of the SEE area a concentration of attention can be observed, since this is one of the areas with the largest gaps in terms of accessibility and connectivity in the entire continent. Simultaneously the biggest constraints are detected here, starting from geomorphologic factors,

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[10] COM(2009) 44 final
[11] COM (2009)391

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and reaching to the political fragmentation and different progress regarding the accession process to the EU. However, no up-to-date studies exist for the area, existing needs assessments being obsolete while detailed studies are available at the national level only.

1.3.8 Changes in the Environmental Policy Framework

Since 2006 a number of SEE-Programme relevant developments have taken place in the EU context. Briefly these are:

- Council Decision No 2007/162/EC on a Civil Protection Financial Instrument supporting and complementing the efforts of Member States for the protection of people, environment and values at risk in the event of natural and man-made disasters, acts of terrorism and technological, radiological or environmental accidents. The instrument is also focusing on reinforced co-operation between the Member States in the field of civil protection, especially concerning prevention (study of the causes of disasters, forecasting, public information) and preparedness (detection, training, networking, exercises, mobilisation of expertise) within the EU.

- First Sustainable Development Report of October 2007, reviewing the progress on the reviewed Sustainable Development Strategy adopted in 2006. The report is in line with the SEE Programme SWOT and Priority Axes content.

- Finalisation of the European Flood Risk Directive (2007/60/EC). This Directive should be seen in context to the overall efforts of the EU to create a common reference framework for integrated water management, e.g. as defined in a series of Directives regarding Water and especially the Water Framework Directive (WFD). it should be noted that the Flood Risk Directive a non-technical mitigation approach, addressing the definition of hazard zones and the disentanglement of objects and values at risk through precautionary spatial planning and land use plans. A pivotal tool in the development of flood management plans and the addressed spatial plans is the elaboration of hazard maps and risk maps.

- Commission's annual progress reports on the Kyoto emission targets. Here a mixed picture becomes evident; SEE-countries which are EU-15 are reporting meeting their targets, whereas New Members States have individual commitments under the Protocol to reduce their emissions. The conclusions of the reports are in line with the SEE Programme SWOT and Priority Axes content.

- In the context of the Kyoto Protocol international negotiations were launched in December 2007 to draw up a United Nations agreement on tackling climate change for the period after 2012, when key provisions of the Protocol will expire. Conclusions of the Copenhagen Summit have been incorporated in the EU 2020 Strategy.

- Considering pollution prevention and control Directive 2008/1/EC concerning integrated pollution prevention and control replaced Directive 96/61/EC, dealing with the principles of pollution prevention, the duties of industrial and other operators and the procedures for approbation, monitoring, information and public participation.

- From 2005-2007, the effect of the directive was assessed. In 2010, a revised wording was published, integrated with 6 other European directives regulating large industrial sites, into the Industrial Emissions Directive, short IED.

- Considering NATURA 2000 and protected areas in general the Commission has issued guidelines to reconcile mining and biodiversity policy and on wind energy development in protected natural areas. Both topics are relevant to the SEE area.

- Considering renewable energy sources, Directive 2009/28/EC sets the cornerstone for all further developments. In the Context of the EU 20-20 by2020 plan it sets ambitious but realistic targets for all Member States. Further the Directive should be implemented by Member States by December 2010 bringing a series of relevant publications like the

Member States' forecast documents (February 2010), the Progress Reports (December 2011) etc., hence being of direct relevance to the framework of strategic concepts.

- A further recent development in the field of Energy Efficiency is the Directive 2010/31/EU on the energy performance of buildings. The purpose of the successor directive to 2002/91/EC is to extend the scope of the original Directive, strengthen certain provisions, clarify other aspects and give public sector a leading role in promoting energy efficiency. Important aspects are the introduction of the Energy Performance Certificate in real estate transactions, the adaptation of the national or regional building codes (including benchmarking), and the extension of the activity range to all existing buildings undergoing renovation etc.

- Launch of the "Energy 2020" defining the energy priorities for the next ten years. EU energy goals have been incorporated into the "Europe 2020 Strategy for smart, sustainable and inclusive growth".

- Last but not least, the Commission has proposed that the EU ratify an agreement to foster the sustainable development of the Prespa Lakes Park area at the triangle of Greece, Albania and FYROM. The Agreement is a step change in the existing local cooperation arrangements and should ease the successful implementation of the aims of the EU Water Framework Directive in the area. The Prespa Park Area was designated as a transboundary protected area by Greece, Albania and FYROM, the first of its kind in South East Europe.

1.3.9 Changes in the Sustainable Urban Development policy framework

The importance of supporting the sustainable development of Europe's cities and urban areas, as key centres of economic competitiveness, innovation and creativity, is well established in EU regional development policy.[12]

Based on previous experiences with implementing the "urban dimension" since 1990[13], EU ministers agreed a political agenda in November 2004 aiming to strengthen urban development in a European context. A ministerial meeting on urban policy under the Dutch EU Presidency acknowledged that the experiences of different European countries over the past decade in relation to urban policy had generated a set of common principles that underpin successful policies – the so-called **Urban Acquis**[14].

The key principles of the Urban Acquis are the following (ECORYS 2010):

1. SETTING PRIORITIES: The importance of long-term city-wide visions that go beyond individual projects, recognise the need to balance economic competitiveness, social cohesion and environmental quality and are embedded in the city-regional context.

2. INTEGRATION: The need for an integrated and cross-sectoral approach with horizontal coordination (across policy areas) and vertical coordination (between layers of government).

3. PARTNERSHIP AND STAKEHOLDER ENGAGEMENT: The need to balance solid leadership and increased local responsibility through strong local and regional partnerships and citizen participation.

4. FUNDING: The importance of concentrating funds in selected target areas.

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[12] ECORYS (April 2010): The urban dimension of the ERDF in the 2007-2013 period: Implementation and practice in five European cities.

[13] Launched in 1990, the Urban Pilot Projects (UPPs) set out to test innovative approaches to urban regeneration and marked the start of an explicit "urban dimension" to EU Cohesion Policy. From 1994 to 2006, a total of €1.63 billion was invested in deprived urban areas through two generations of the URBAN Community Initiative.

[14] See Annex II of the "Bristol Accord: Conclusions of Ministerial Informal on Sustainable Communities in Europe", UK Presidency, 6–7 December 2005 http://www.eib.org/attachments/jessica_bristol_accord_sustainable_communities.pdf.

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5. POLICY LEARNING: The importance of "capitalising" on knowledge through exchange of experience and knowledge, through networking and benchmarking exercises.

6. EVALUATION: The importance of monitoring and evaluation using appropriate indicators, in order to assess progress against established objectives.

The Leipzig Charter on Sustainable European Cities elaborated under the German Presidency in 2007 continued and strengthened the implementation of the key principles set out in the Urban Acquis (and previously tested through URBAN). The Leipzig Charta complements the concern of the Territorial Agenda of the EU (Leipzig, May 2007) as it raises integrated urban development policy as a task with European dimension.

As a follow up, the Green Paper on Territorial Cohesion (October 2008) launches a debate on territorial cohesion with a view to deepening the understanding of this concept and of its implications for policy and cooperation (the White Paper as a result of launched discussion is still missing).

In 2009 a European working group was set up to create a tool to foster the implementation of the Leipzig Charter, called "reference framework", as well as a URBACT working group (LC-FACIL[15]) to interact as local testing ground. It is aimed at creating a common understanding about benefits of integrated approach and promote it; Promote idea that crisis / reduction of funds will even more require integrated approaches; React towards current challenges as climate change and economic crisis; Use "reference framework" – Monitoring and Evaluation as outcome orientated tool to underline the main idea; Further discussion (and exchange among partners) on what is needed for the implementation of integrated approaches on city-level: Strategy, Governance, Methodology, Monitoring and Evaluation, Cooperation and Implementation.

In order to put the Territorial Agenda into action a „First Action Programme for the Implementation of the Territorial Agenda of the EU" was agreed in November 2007 in the framework of an informal minister meeting under Portuguese presidency.

The First Action Programme is designed to be implemented in the period 2007-2011, and is lead by five guiding principles: (i) solidarity between regions and territories, (ii) multi-level governance, (iii) integration of policies, (iv) cooperation on territorial matters and (v) subsidiarity.

These guiding principles are meant to inspire political action and to orientate the individual and shared implementation of the Territorial Agenda. Essential contributions are expected from transnational cooperation programmes.

More practical actions (besides actions for the policy formulation process) proposed are for example:

- Prepare and promote policy options to foster coordination between spatial and urban development in the light of the Territorial Agenda and the Leipzig Charter (under Line of Action 1)
- Scope the territorial impacts of selected sectoral policies together with sectoral policymakers and jointly analyse the introduction of territorial impact assessment (TIS) in the policy process (under Line of Action 2)
- Design and implement a strategy to promote transparent decision-making processes in the administration and with public and private stakeholders as well as non-governmental organisations on territorial policies (under Line of Action 3)
- Design and implement a communication and awareness-raising strategy on territorial cohesion and sustainable spatial development (under Line of Action 5).

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[15] URBACT II WG LC-FACIL: Implementation of the Leipzig Charter State of the Art in Europe; Part of the LC-FACIL Baseline Study, September 2009

How is the urban dimension addressed by ERDF?

The importance of territorial cohesion including the "urban dimension" was highlighted in the Community Strategic Guidelines on Cohesion adopted by the Council in 2006[16]. The Community strategic guidelines on specify that programmes with a focus on Sustainable Urban Development can take different forms:

- There are actions to promote cities as motors of regional development. Such actions aim to improve competitiveness: promote entrepreneurship, innovation and the development of services and boost the attractiveness of cities.
- Other actions aim to promote internal cohesion within urban areas by improving the situation of deprived neighbourhoods, notably by rehabilitating the physical environment, redeveloping brownfield sites and preserving and developing their historical and cultural heritage.
- Other actions aim to promote a more balanced, polycentric development of the European Union by developing urban networks at national and Community level.

The Regulations for 2007-2013 and specifically Article 8 of the ERDF Regulation provides the legal basis for the continuation of support for integrated urban development – of the type promoted by URBAN - through the Structural Funds. The regulations for 2007-2013 mean that all urban areas in the EU have become potential beneficiaries of EU Cohesion Policy funding for the first time.

The SEE programme Priority 4 (Sustainable growth areas) with its focus on urban areas and systems of settlements addresses - in line with the Community strategic guidelines on cohesion of 2006 – in particular two key components:

- It supports transnational actions to promote internal cohesion inside the urban areas that seek to improve the situation of crisis districts (AoI 4.1) and
- It supports transnational actions to promote a more balanced, polycentric development by developing the urban network including links between the economically strongest cities and other urban areas including small and medium-sized cities (AoI 4.2).

To conclude, the actions proposed by the SEE programme are still valid and are further developed under different initiatives (e.g. URBACT working group, First Action Programme).

The 5th Cohesion Report addresses (in its conclusions part) explicitly the strengthening of the urban dimension and of the multilevel governance system in view of an improved territorial cohesion.

SEE programme can undertake preparatory steps to make the urban dimension more feasible in the next programming period.

1.3.10 Development of strategic projects in other transnational programmes

The transnational programmes CENTRAL EUROPE and Europe in the Mediterranean (MED) announced each a call for strategic projects in 2010 as pointed out in the table below. Whereas the strategic projects of CENTRAL EUROPE are spread over all four priorities, the strategic projects of the MED programme in the recent call in March focus on the priority environment.

In the Alpine Space programme the strategic approach follows over thematic workshops including experts and major players. The respective themes cover several existing projects and have an umbrella function (alternative approach to "flagship projects").

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[16] Community strategic guidelines on cohesion (2006/702/EC), Chapter 2: The territorial dimension of cohesion policy

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Taking a look on the themes covered by the strategic projects and the thematic workshop the priority <u>Environment</u> is covered the most. CENTRAL EUROPE and MED focus on energy concepts, energy efficiency and renewable energy, whereas Alpine Space highlights the theme climate change.

Another trend which can be concluded is that the theme <u>demographic change</u> is also well presented. Both, the CENTRAL EUROPE and the Alpine Space programme highlight this theme. The priorities <u>Innovation</u> (in terms of cluster policy development) and Accessibility are for the moment only prominent in the CENTRAL EUROPE programme.

Table 5. Overview of strategic projects in three transnational programmes

Priorities of transnational ETC-programmes	CENTRAL EUROPE (Call for strategic projects in autumn 2010)	Europe in the Mediterranean (MED) (Call for strategic projects in March 2010)	Alpine Space
Innovation	• Boosting innovation through new cluster concepts in support of emerging issues and cross-sectoral themes		In its strategic planning the Alpine Space Programme carries out thematic workshops instead of strategic projects.
Environment	• Introduction of Regional Energy Concepts • Demonstration of Energy Efficiency and Utilisation of Renewable Energy Sources through Public Buildings	• Promoting renewable energies and improving energy efficiency • Preventing maritime risks and reinforcing maritime security	The themes of these workshops have an umbrella function between a certain number of projects. In a series of three workshops experts and major players take a close look at key issues affecting the cooperation area.
Accessibility	• Upgrading of Inland Waterway and Sea Ports (INWAPO) • Railway Hub Cities and TEN-T network (RAILHUC)		The first two workshops are covering the themes: • Climate change • Demographic change
Sustainable Urban Development	• Innovative housing and care solutions for the elderly and vulnerable persons in Central European cities • Improved governance and management of infrastructures and services in regions and cities affected by demographic change		

Source: Metis

1.3.11 Summing up External Drivers

The following table indicates to which extent AoIs of the SEE programme are covered by policy documents which have been prepared after 2007.

Moreover specific topics are outlined which are promoted by new Policy documents and which are at the same time feasible to be implemented within the limited scope of a transnational cooperation programme.

Table 6. Findings considering "External drivers"

SEE OP 2007-2013	Findings considering "External drivers"
Priority Axis 1 Facilitation of innovation and entrepreneurship	
AoI 1.1 Develop technology & innovation networks	Fully addressed by EU 2020 and Danube Region Strategy (DRS); promoted topic fitting to OP SEE: innovative procurement.
AoI 1.2 Develop the enabling environment for innovative entrepreneurship	Fully addressed by EU 2020 and DRS; promoted topic fitting to OP SEE: absorption and diffusion of innovative practices.
AoI 1.3 Enhance the framework conditions	Fully addressed by EU 2020 and DRS; promoted topic fitting to OP SEE: public awareness, innovation governance.
Priority Axis 2 Protection and improvement of the environment	
AoI 2.1 Improve integrated water management and flood risk prevention	Not directly addressed by EU 2020 but fully addressed by the DRS and 5th Cohesion Report, relevant to Directive 2007/60/EC, relevant to Council Decision 2007/162/EC.
AoI 2.2 Improve prevention of environmental risks	Partially addressed by EU 2020 (related to climate change, resilience to climate risks, capacity for disaster prevention and response), fully addressed by the DRS and 5th Cohesion Report, relevant to Directive 2007/60/EC, relevant to Council Decision 2007/162/EC, relevant to Directive 2008/1/EC (IPPC).
AoI 2.3 Promote co-operation in management of natural assets and protected areas	Not addressed by EU 2020 but partially addressed by the DRS (preserve biodiversity, landscapes and the quality of air and soils), relevant to the EU Sustainable Development Strategy, relevant on NATURA 2000 related guidelines.
AoI 2.4 Promote energy and resource efficiency	Fully addressed by EU 2020 (flagship Initiative "Resource efficient Europe") and DRS, relevant to the EU Sustainable Development Strategy relevant to Directive 2009/28/EC, relevant to Directive 2010/31/EC, relevant to ECSEE activities.
Priority Axis 3 Improvement of the accessibility	
AoI 3.1 Improve co-ordination in promoting, planning and operation for primary & secondary transport networks	Fully addressed by EU 2020 (flagship Initiative "Resource efficient Europe)", DRS and 5th Cohesion Report. High relevance to the TEN-T Policy Review, relevant to WBIF activities.
AoI 3.2 Develop strategies to tackle the "digital divide"	Fully addressed by EU 2020 (flagship Initiative "A Digital Agenda for Europe)", DRS and 5th Cohesion Report.
AoI 3.3 Improve framework conditions for multi-modal platforms	Fully addressed by EU 2020 (flagship Initiative "Resource efficient Europe)" and DRS. High relevance to the TEN-T Policy Review, relevant to activities of the Central European Free Trade Agreement.
Priority Axis 4 Development of transnational synergies for sustainable growth areas	
AoI 4.1 Tackle crucial problems affecting metropolitan areas and regional systems of settlements	Partly addressed by EU 2020 and fully addressed by DRS and 5th Cohesion Report; promoted topic fitting to OP SEE: further development of urban dimension, demographic change, tackling the absence of administrative capacity; address the specific circumstances of groups at particular risk.
AoI 4.2 Promote a balanced pattern of attractive and accessible growth areas	Indirectly addressed by EU 2020 and fully addressed by DRS and 5th Cohesion Report; promoted topic fitting to OP SEE: models for multi-level-governance in specific functional regions.
AoI 4.3 Promote the use of cultural values for dev.	Not addressed by EU 2020 and fully addressed by DRS; promoted topic fitting to OP SEE: non.

Source: metis

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1.4 Internal drivers - specific context per policy area effecting strategic theme development

The purpose of this section is to outline the thematic "performance" of the programme so far, in relation to needs, possibilities within an ETC programme and the definition of strategic themes, so far.

The **guiding** question is: What themes has the SEE Programme tackled so far successfully and where are still gaps, needs and justification for further coordinated action by the programme in the form of strategic themes?

The following specific questions related to the specific context per policy area should be briefly answered:

- What is the **actual performance** of the SEE programme?

- What has been the **contribution of the projects** approved so far in the various policy areas to achieve the objectives?

- Is there any evidence (based on present implementation status) that strategic projects should be introduced in helping to **achieve objectives in a more effective way**?

1.4.1 Performance of the SEE programme so far

Progress in implementing the policies pursued by the SEE programme can be assessed by analysing the commitments of ERDF finance per Priority Axis.

Data show that there is no striking difference between P1, P2 and P4 showing a commitment rate range between 62 and 89%.

In contrast, a low commitment rate is observed in P3 Accessibility, which has also the highest allocation.

Table 7. Commitment in Euro and rate in % per priority

AoI	Description	ERDF Available*	ERDF Approved 1st call	ERDF Approved 2nd call)	ERDF Approved 1st and 2nd Call	Commit-ment rate
P1	Innovation	44.051.157	18.751.050	8.644.438	27.395.488	62%
P2	Environment	53.739.828	27.696.440	11.704.844	39.401.284	73%
P3	Accessibility	55.160.834	9.231.427	9.220.661	18.452.088	33%
P4	Sustainable Growth Areas	41.338.329	20.949.939	15.849.936	36.799.875	89%
Total		194.290.146	76.628.855	45.419.880	27.395.488	62%

Source: JTS

1.4.2 P1 Innovation

This priority axis aims at facilitating innovation, entrepreneurship, knowledge economy and enhance integration and economic relations in the co-operation area and seeks in particular to achieve three operational objectives and will support transnational partnerships and action that contribute to:

- Develop technology and innovation networks in specific fields
- Develop the enabling environment for innovative entrepreneurship
- Enhance the framework conditions and pave the way for innovation

Ad: Develop technology and innovation networks in specific fields

The purpose of this area of intervention (AoI) is to strengthen technology and innovation oriented networks in specific technology fields in the industrial and service sectors relevant for the programme area.

This AoI was open in the 1st Call and five projects related to industrial informatics, valorisation of R&D, serious gaming, agro-food-sector and textile were approved. The projects are still at an early stage and concrete results are still missing.

The AoI – as far as it can be assessed at the moment – proved to be successful in strengthening of co-operation in a number of technology fields (although limited high technology orientation of the projects is visible).

Partnerships were mainly composed of university and research type bodies.

As specific field promoted by the programme which was not tackled so far by projects is the introduction of an "innovation-oriented public procurement". It should be considered how to encourage project generation around public procurement aspects (the topic could be also covered under AoI 1.3).

Ad: Develop the enabling environment for innovative entrepreneurship

This area of intervention aims for the effective provision of collective business and innovation and supports services especially for SMEs.

This area promotes "second level" clustering that means networking of existing SME-support facilities in the programme area to set up mechanisms to allow sharing and dissemination of effective approaches in supporting SME.

Therefore networks should exchange, develop, promote and apply (in pilot projects) appropriate "soft measures", e.g. for better exploitation of the market opportunities in the area, ensuring SMEs' access to relevant information, support technology transfer, encouraging micro and family enterprises to develop entrepreneurial spirit, mobilise start ups, manage intellectual and industrial property rights and patent rights (IPR), ease the access to appropriate forms of finance and promote skills and knowledge necessary for innovation.

The area generated the highest level of interest for Priority 1 and out of numerous applications five projects could be approved. The projects address clustering in the automotive sector, development of business parks, improvement of IPR related support services, social entrepreneurship and innovative support services and new financial instruments for innovative entrepreneurship. A broad range of partners tended to participate in this area.

Projects deal with practical action such as good practice exchange, benchmarking, qualification, handbooks; a policy type project with broad relevance for the programme area is still missing.

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The area is popular and has a <u>great potential of promising approaches</u> which could be developed (in contrast to AoI 1.1 which is very targeted and relies on a limited number of existing poles of activity).

Therefore, it should be considered to generate some strategic projects with a broader relevance for the programme area.

Ad: Enhance the framework conditions and pave the way for innovation

The purpose of this area of intervention is primarily to set up exchange and co-ordination mechanisms for research, technology and innovation approaches and policies (governance aspect) and to increase public awareness on the importance of innovation by transnational actions in the area (awareness aspect).

The governance aspect could be developed taking into account the experiences on existing good practice in "Regional Innovation Strategies".

The awareness aspect includes the encouragement of young people to develop entrepreneurial spirit, mobilise existing institutions in contacting and communicating with the population, wake enthusiasm for scientific education, tackle information lacks in the area of technology and innovation, diminish fears concerning new technologies, paying special attention to gender issues to increase the participation of women in technology and innovation.

The 1st call <u>failed to generate projects</u> which had direct relevance to the aims of the AoI around enhancing the framework conditions and paving the way for innovation (governance aspect and public awareness). Moreover a limited number of governance bodies were participating.

Hence, it was decided to <u>focus the 2nd call entirely on this area</u> (the other two areas were closed for applications).

The <u>2nd call resulted in a</u> number of <u>good projects on the policy side</u>[17] and a <u>low number on the awareness side</u>. Only 1 out of 6 approved projects is directly addressing the awareness aspect (SEE Science).

Therefore, the awareness side is still lacking of projects and it should be considered to encourage partnerships in this field through a strategic project approach because the basic need to strengthen the capacity of the society for innovation remains to be untackled.

1.4.3 P2 Environment

This priority axis aims at overriding the constraints imposed by national barriers, to foresee future environmental threats and opportunities and to develop common transnational action for the protection of nature and humans. It seeks in particular to achieve four operational objectives and will support transnational partnerships and action that contribute to:

• Improve integrated water management and flood risk prevention;
• Improve prevention of environmental and technological risks;
• Promote co-operation in management of natural assets and protected areas;
• Promote energy and resource efficiency.

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[17] Projects aim at improving the enabling environment for innovation in the food sector (2 projects); strengthen evaluation capacities, create a communication platform for decision makers in the field of innovation policies; develop a foresight tool for resrach policy review in the ICT field.

Ad: Improve integrated water management and flood risk prevention

The purpose of this area of intervention (AoI) is to is the development of transnational structures and systems/tools for an integrated management of water resources and flood risk prevention.

This AoI was open in the 1st Call and three projects related to drinking water supply and protection, flood risk reduction in the Danube Region and water pollution from agriculture were approved. The projects are still at a varying level of implementation but concrete results are still missing, since the projects will run till April 2012. The AoI was closed in the 2nd call.

The AoI generated challenging and ambitious projects in very relevant topics with a focus on the deployment of precise tools, approaches and technologies.

Partnerships were mainly composed of ministries and supervised bodies, local and regional authorities, public utilities companies and to a lesser extent research institutes and universities. In general, the composition of the partnerships can be deemed to be of high quality.

Concerning specific fields promoted by the programme which were not extensively tackled so far by projects are the elaboration of foresight studies and analyses about large scale impacts of climate change on meteorology, hydrology, erosion etc. especially in the context of Structural Funds Investments and Programming for the post-2013 era and the coordination, harmonisation and development of integrated warning and civil protection systems. As a horizontal theme still worth pursuing (also in the relation to the fields above) is the strengthening of the institutional capacity and human resources at national, regional and local level. It is recommended considering these issues together with AoI 2.2.

Ad: Improve prevention of environmental and technological risks

The purpose of this area of intervention is the development of transnational structures and systems/tools for environmental risk protection, and comprehensive policy development to reduce risks and impacts on human health, biodiversity and other environmental issues.

This AoI was open in the 1st Call and four projects related to maritime environmental risks associated with port operation; shipping related waste management on the Danube, drought management and transnational environmental monitoring were approved. The AoI was also open in the 2nd call with a special focus on the conversion of brown fields, transportation of dangerous goods and rehabilitation of polluted soils. In the course of the 2nd call a single project was approved focusing on the monitoring of transportation of dangerous goods on the sea and in rivers.

The AoI has covered so far broad aspects of the AoI themes, ranging from the improvement of risk management framework (e.g. in Monitor II) to very specific solutions (e.g. in Ecoport8 and SEE Mariner).

Partnerships were mainly composed of ministries and supervised bodies, local and regional authorities, port authorities, civil protection and other state agencies and to a lesser extent NGOs research institutes and universities. In general the composition of the partnerships can be deemed to be of high quality, although some partners appear to be ad-hoc.

Concerning specific fields promoted by the programme which were not tackled so far by projects are the development of applied transnational alert mechanisms on potential hazards (other than the ones addressed by the second call project SEE mariner), awareness raising and emergency planning, and the facilitation of common operation of risk prevention infrastructure. Due to the huge number of mini hot spots in the area, a stronger area-based is reasonable, e.g. in the context of Monitor II but with a stronger "grassroots involvement". Finally a stronger focus on urban zones, and agglomerations could be reasonable due to the high impact on population

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through density, vulnerability and exposition. It is recommended considering these issues together with AoI 2.1.

Ad: Promote co-operation in management of natural assets and protected areas

The purpose of this area of intervention is to the co-operation and know-how transfer in managing natural assets (e.g. vulnerable ecosystems, natural/semi natural areas, protected areas) and support of transnational awareness building on the importance of natural assets as development factor.

This AoI was open in the 1st Call and <u>two</u> projects related to protected areas network and joint strategies for the promotion of protection areas development potential were approved. The AoI was also open in the 2nd call with a special focus on the maritime/lake basin natural areas and to proposals addressing the demand for know-how transfer and the development of skills for the better management of natural assets and protected areas. In the 2nd call <u>three</u> projects have been approved which focus on the development of tools and plans and the improvement of management of natural protected areas and the enhancement of biological and landscape diversity.

Partnerships were mainly composed of ministries, regional and local authorities, development agencies and associations, natural parks and protected areas bodies, international organisations residing in the SEE area, universities and NGOs. In general the composition of the partnerships was very well fitting to the needs of the AoI.

Concerning specific fields promoted by the programme one should consider the rather small number of approved projects, which however cover a broad array of the AoI fields. However the "know-how transfer and the development of skills for the better management of natural assets and protected areas" appears to be an "evergreen".

Ad: Promote energy and resource efficiency

The purpose of this area of intervention is to establish co-ordination and transfer of know-how on energy and resource efficiency policies, to co-operate in the adoption and adaptation of EU policies and directives in the relevant fields and the preparation of the area to cover the expected rise in energy demand and resources consumption through environmental friendly approaches. Interventions should be accompanied by impact assessments, taking in account possible negative impacts on agriculture, forestry, biodiversity, soil, water, air and landscape development at transnational level.

This AoI was open in the 1st Call and <u>four</u> projects related to renewable energy sources and energy efficiency at the local level, exploitation of hydropower, resource management of aggregates and solar collectors were approved. The AoI was also open in the 2nd call with a special focus on the transnational aspect of the management of renewable energy sources. In the 2nd call two projects were approved, focusing on energy efficient public procurement and on the promotion of renewable energy investments in marginalised areas.

The AoI includes initiatives for specific tools and technologies, but also broader management-oriented and public innovation approaches (e.g. in ENER-Supply or EFFECT).,

Partnerships were mainly composed of ministries, regional and local authorities, regional development agencies, chambers, universities, energy research agencies and competence centres, energy agencies as well as public utility companies and private financing institutions. As expected by the topics of the projects, the share of universities and research agencies is high but not overly dominant.

Concerning specific fields promoted by the programme which were not tackled so far by projects are the development of "resources consumption foresights" including future bottlenecks and

problem areas, especially in relation to expected macro-economic developments, the development of transnational policies for emission reduction to reduce greenhouse gas emissions, the development of transnational strategies which support and co-ordinate sustainable exploitation schemes of renewable energy sources (although projects of the 2nd call approximate this topic) and the establishment of networks on "green industries", energy agencies, regional and local authorities and public transport providers. Energy issues are however a location-dependent broadly existing issue. Hence transnationality will be limited; instead the focus could be on the local application of- and capacity building on EU standards, e.g. the RES Directive or the Buildings Energy Directive.

1.4.4 P3 Accessibility

This priority axis aims at promoting co-ordinated preparation for the development of accessibility networks and the support of multi-modality.

This priority axis seeks in particular to achieve three operational objectives and will support transnational partnerships and action that contribute to:

- Improve co-ordination in promoting, planning and operation for primary and secondary transportation networks;
- Develop strategies to tackle the "digital divide";
- Improve framework conditions for multi-modal platforms.

Ad: Improve co-ordination in promoting, planning and operation for primary and secondary transportation networks

The purpose of this area of intervention is the provision of tools and space for co-ordinated promoting, planning and operation for primary and secondary transportation networks.

This AoI was open in the 1st Call and two projects related to inland water navigation and transport on the Danube and transport in cities were approved. The AoI was also open in the 2nd call where three projects have been approved related to urban public transport, analysis and development of railway transport corridors and mobility and tourism in natural sensitive areas.

The AoI has started with a strong focus on the Danube but in the course of the 2nd call has widened its application fields by including urban mobility, corridor development and mobility issues in fragile environments.

Partnerships were mainly composed of ministries and supervised bodies, local and regional authorities, regional development agencies, public transport companies, railway and logistics agencies, universities and research agencies, tourism associations, natural parks bodies, international organisations and citizens associations.

Concerning specific fields promoted by the programme it must be noted that the core of the AoI has not been addressed although the project SETA of the 2nd call on transnational railway network development is a notable contribution in this direction. Relevant issues still are: promoting policy co-ordination among competent partners and elaborating co-ordinated strategies for infrastructure investments, promoting complementarities between various types of investments and mobilising various financial instruments, joint action plans for the realisation of physical infrastructure financed by other programmes (e.g. the WBIF) and promoting transnational environmental assessment (EIA-SEA) and transnational Territorial Impact Assessments (TIA) in co-ordination with the realisation of physical infrastructure financed by other programmes.

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Ad: Develop strategies to tackle the "digital divide"

The purpose of this area of intervention is to the support of joint initiatives to lessen the "digital divide" among states and regions especially where market failure is evident or expected. It should generate concrete projects which will contribute to the accessibility of territories, information and services via ICT, as substitute for and supplementing physical accessibility.

This AoI was open in the 1st Call and <u>one</u> project was approved. The AoI was also open in the 2nd call where also <u>one</u> project was approved.

The AoI has focused so far on very specific topics related to digital divide, implementing ICT training solutions and suitable communication instruments, introducing a cooperation-network for logistics and nautical education focusing on Inland Waterway Transport in the Danube corridor supported by innovative solutions and a platform for the introduction of digital broadcasting services..

The partnership for the project of the 1st call was composed of maritime authorities, public utilities companies, academies and training centres and universities while the project of the 2nd call brought together television and broadcasting agencies and regulatory authorities, media agencies and national councils.

Relevant issues still are: Fostering the use of advanced ICT to reduce the need to travel and to replace physical mobility through virtual exchanges; Raising awareness of ICT opportunities, developing public private partnerships for the development of virtual accessibility solutions, enhancing the role of regional and local administrations in the implementation of the ICT, developing public services using e-government solutions and tools with the collaboration of public authorities and scientific institutions, establishing common standards in ICT development in relation to support services and training courses and promoting the interoperability of information systems e.g. in transport, business support or government.

Ad: Improve framework conditions for multi-modal platforms

The purpose of this area of intervention is to the support of multi-modal platforms and the promotion of alternative transport means (e.g. rail and or sea compared to road) from the view of public interest.

This AoI was open in the 1st Call and <u>two</u> projects related to institutional coordination and multimodal logistics were approved. The AoI was also open in the 2nd Call where <u>one</u> project was approved related to the harmonised logistical and multi-modal development capacities of smaller Danube ports.

The AoI includes hence two projects on the water and land multimodal transport and one on transnational transport axes cooperation.

Partnerships were mainly composed of ministries and supervised bodies, port authorities, universities and research centres. In general the composition of the partnerships can be deemed to be of high quality; especially the partnership of SEETAC is a Showcase.

Concerning specific fields promoted by the programme one should consider the very small number of approved projects and the thematic focus of SEETAC. Hence many aspects of the AoI remain unaddressed. relevant issues are platforms for communication and co-ordination between regional and city authorities and private service providers and investors and their collective associations, concepts and agreements on multi-modal connections especially among agglomerations, research and innovation networks focusing on multi-modal transport solutions including new equipment, technological developments, management of logistic chains etc.

Also transnational supply chain management structures including measures to improve the efficiency of multi-modal logistic chains (introduction of smart technologies, simplification of

administration etc.), ICT tools and structures for better connection with multi-modal platforms including optimisation of train capacities, road haulage pricing, one-stop shops for transport transactions, networks of logistic centres and encouraging the exchange of experience in the field of management, provision of services, co-operation within and outside the programme area, joint planning efforts to harmonise transport and logistical investments as well as co-ordinated logistical capacities and services are still valid.

Wrapping up, the promotion of ICT logistics and multimodality solutions are considered to be a feasible bonding element.

1.4.5 P4 Sustainable Growth Areas

This priority axis shows a specific cross-sectoral character strongly interlinking economic, environmental, social and governance issues with focus on metropolitan areas and regional settlement systems.

Under this priority transnational partnerships and action will be supported that contribute to:

- tackle the high concentration of economic, environmental, social and governance problems affecting metropolitan areas and regional systems of settlements
- take up the chances which the optimisation of the given polycentric structure offer
- Better utilize cultural assets for the development of growth areas

Ad: Tackle crucial problems affecting metropolitan areas and regional systems of settlements

The purpose of this area of intervention is the development, implementation and dissemination of concrete strategies and action plans to tackle interconnected economic, environmental, social and governance problems affecting urban and settlement areas.

This area addresses primarily the internal cohesion of growth areas and targets Public Infrastructure and Public services, Planning and Governance and social and economic issues in the framework of integrated projects for urban and regional regeneration.

This AoI was open in the 1st Call and five projects were approved.

Partnerships are dealing with integrated urban development in historical towns, conversion of military brownfields (two projects), improving the capacity of governmental agencies, management of municipal real estate.

A high participation of Local Authorities and high participation of Universities and Development agencies have to be noticed.

In sum, a reasonable number of (good) projects representing a wide spectrum could be approved. Therefore it was decided to not open this are in the 2nd call.

Nevertheless, the policy level to further develop the "urban dimension" is not sufficiently addressed. In addition, social issues in the context of integrated projects for urban and regional regeneration) have not been tackled sufficiently so far (e.g. developing pathways to integration for disadvantaged people, migrants, Roma and groups with specific needs). Furthermore key issues such as green urban technologies and demographic change are not covered by projects. A strategic choice has to be done to select a limited number of topics (see long list).

Ad: Promote a balanced pattern of attractive and accessible growth areas

The aim of this AoI is to develop concrete strategies and action plans for strengthening functional regions and new partnerships as carriers of growth and competitiveness.

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This area addresses the dramatically increasing disparities between stronger and weaker cities/ regions and - in the long run – the development of "integration zones" backed by transport corridors as carriers of growth and competitiveness

The challenge of formulating and implementing a strategy for functional co-operation means to capitalise on potential complementarities and overbearing of geographic distances between different-sized cities through enhanced co-operation links. This should be based on the analysis of the different functions and specialisations and the definition of "Who will specialise in what?" Functional potentials should complement each other. Allocation of public money to the "wrong spots" should be avoided. This will require the making of strategic choices in identifying and strengthening "growth areas" and putting in place the networks that link them in both physical (infrastructure) and human terms (building up capacities, skill, knowledge). This implies the creation of "regional coordination and compensation mechanisms" and the renouncement of "militant" competition.

This AoI was open only in the 1st Call and six projects were approved.

Partnerships target a wide spectrum of issues: business clustering and territorial marketing of Adriatic-Danubian area, development of tourism along the Danube, promotion of the concept of sustainable production in manufacturing, better information access on marketable real estates, improvement of spatial planning of Danube regions and improvement of the cooperation within Tisa basin.

Significant participation of Regional Authorities and Regional Development Agencies has to be highlighted.

Despite of some ambitious approaches, there is room for manoeuvre to set up partnerships which tackle the core task of the AoI to foster the establishment of functional regions and to promote coordinated strategic planning in functional regions by developing durable partnerships in the defined co-operation area.

Ad: Promote the use of cultural values for development

This AoI supports joint conservation and the co-ordinated utilisation of cultural assets as development factor and resource of sustainable tourism. The use of cultural assets (values) shall promote creativity, cultural identity and generate income and employment.

The area appears to be the most critical in the priority. It saw a massive participation, a lot of proposals developed by Local Authorities whose limited experience has probably influenced the high number of formal and eligibility failures. Proposals submitted showed often relevant ideas but limited and partial detailing, lack of transnational character, missing indication to the „linking" cultural heritage. Therefore no projects could be approved in the 1st call.

The 2nd call targeted specifically this area and a sufficient number of reasonable projects could be approved (in total 9)[18].

It is not recommended to develop strategic themes for this AoI, because the potential for quality projects seems to be very limited.

1.4.6 Summing up „Internal Drivers"

The following table indicates theme of strategic relevance which are based on the analysis of the internal drivers.

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[18] Projects address the following issues: Architecture of totalitarian regimes; Environmental Planning applied to cultural heritage sites; Improved accessibility to local cultural values; Better marketing strategies; Preservation and valorisation of garden and open space heritage sites; Religious tourism models; Tackle lack of entrepreneurial culture in the heritage sector; Better cultural heritage management; Cultural potentials in less favoured rural regions.

Table 7. Findings considering „Internal Drivers"

SEE OP 2007-2013	Findings considering "Internal drivers"
Priority Axis 1 Facilitation of innovation and entrepreneurship	
AoI 1.1 Develop technology & innovation networks in specific fields	The potential for higher-level technology networks is very limited and already addressed by 1st open call. Encourage the introduction of "innovation-oriented public procurement" (it is proposed to covered the topic under AoI 1.3)
AoI 1.2 Develop the enabling environment for innovative entrepreneurship	Exploit the given potential to develop promising approaches which are relevant for the entire SEE area
AoI 1.3 Enhance the framework conditions	Encourage partnerships to increase public awareness on innovation (awareness aspect); issue was weak in the targeted 2nd call
Priority Axis 2 Protection and improvement of the environment	
AoI 2.1 Improve integrated water management and flood risk prevention	Flood risks are covered. Strengthening the institutional capacity and human resources at national, regional and local level is still an issue. Consider cross-AoI proposals, merging themes between AoI 2.1 and 2.2.
AoI 2.2 Improve prevention of environmental risks	Civil protection systems are still an issue. Applied transnational alert mechanisms on potential hazards other than to those related to the water transport, Focus on urban zones, hot spots and brownfield, Consider cross-AoI proposals, merging themes between AoI 2.1 and 2.2.
AoI 2.3 Promote co-operation in management of natural assets and protected areas	All relevant aspects have been already addressed by the 1st and 2nd call.
AoI 2.4 Promote energy and resource efficiency	Support SEE-specific research on "resources consumption foresights" especially in relation to expected macro-economic developments. Consider the establishment of networks on "green industries", energy agencies, regional and local authorities and public transport providers. Focus on the local application of- and capacity building on EU standards.
Priority Axis 3 Improvement of the accessibility	
AoI 3.1 Improve co-ordination in promoting, planning and operation for primary & secondary transportation networks	Only specific aspects addressed so far. Maintain AoI focus but give emphasis on joint action plans for the realisation of physical infrastructure financed by other programmes (e.g. the WBIF) and promoting transnational Territorial Impact Assessments for transport infrastructure.
AoI 3.2 Develop strategies to tackle the "digital divide"	AoI addressed in a limited way, however it is doubtful if the AoI can generate an able number of projects. Focus on the "alternative" provision of ICT access, e.g. via PPP, cooperation with universities and regional and local administration. By alternative it is meant provision that cannot be produced by the "market" or it has another structure than the classical provider-client logic.
AoI 3.3 Improve framework conditions for multi-modal platforms	Significant aspects addressed so far. However, there is still scope for numerous specific issues. The promotion of ICT logistics and multimodality tools could be a "smart" bonding element.
Priority Axis 4 Development of transnational synergies for sustainable growth areas	
AoI 4.1 Tackle crucial problems affecting metropolitan areas and regional systems of settlements	Further develop the "urban dimension" (e.g. foster competence and transparency in Urban Planning). Tackle social issues in the context of Integrated projects for urban and regional regeneration. Address green urban technologies and demographic change.
AoI 4.2 Promote a balanced pattern of attractive and accessible growth areas	Foster the establishment of functional regions and promote coordinated strategic planning in functional regions by developing durable partnerships.
AoI 4.3 Promote the use of cultural values for development	Covered by the targeted 2nd call; no need to develop strategic projects.

Source: metis

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1.5 Synthesis – combining external and internal drivers to identify fields of action to be further developed through strategic projects

The synthesis of external and internal drivers is performed using a simple ordinal scale:

***	High need to develop Strategic Projects
**	Medium need to develop Strategic Projects
*	Low need to develop Strategic Projects

Considering external drivers, AoIs which are fully covered by e.g. Europe 2020, the Danube Region Strategy and relevant recent Directives etc. will receive three stars, whereas AoIs with relevance for single documents will receive one star.

Analogue considering internal drivers, AoIs with high demand, little coverage by approved projects and potential for a strategic transnational project within the limitations of the strategic call (time and money) will receive three stars, AoIs which are overbooked, or have little potential for the development of a strategic project within the given frame will receive only one star.

Based on these two marks (internal and external) either the lack of need to develop a strategic theme is concluded or the title of the strategic themes described in Chapter 1.7 is mentioned[19].

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[19] Please note that the initial formulation of the strategic themes was conducted before the finalization of the results of the 2nd call. when the latter became available a revised screening considering the internal drivers was applied. if you would like to see how the strategic themes were affected by the results of the 2nd call please consult Annex II.

Table 8. Synthesis matrix

SEE OP 2007-2013	External Drivers	Internal Drivers	Strategic themes to be promoted
Priority Axis 1 Facilitation of innovation and entrepreneurship			
AoI 1.1 Develop technology & innovation networks	***	*	No proposal due to low need to develop Strategic Projects
AoI 1.2 Develop the enabling environment for innovative entrepreneurship	***	***	No 1. Regional Cluster Development No 2. Innovation in services No 3. Advanced business and technology support services
AoI 1.3 Enhance the framework conditions and pave the way for innovation	***	***	No 4. Regional Platforms for Innovation policy development and learning No 5. Foster Entrepreneurial Learning No 6. Innovative solutions in public procurement No 7. Public Innovation
Priority Axis 2 Protection and improvement of the environment			
AoI 2.1 Improve integrated water management and flood risk prevention	**	**	No 8. Climate Change adaptation No 9. Warning and civil protection systems No 10. Risks in hot spots and urban zones
AoI 2.2 Improve prevention of environmental risks	**	***	
AoI 2.3 Promote co-operation in management of natural assets and protected areas	**	*	No proposal due to low need to develop Strategic Projects
AoI 2.4 Promote energy and resource efficiency	***	**	No 11. SEE resources consumption foresights No 12. Energy and resource efficient transport No 13. Development and marketing of renewable energy
Priority Axis 3 Improvement of the accessibility			
AoI 3.1 Improve co-ordination in promoting, planning and operation for primary & secondary transp. networks	***	***	No 14. Network of Hub Cities No 15. High quality freight network No 16. Coastal ports and hinterland infrastructure No 17. Monitoring of studies and development plans No 18. Transport infrastructure investments and cohesion
AoI 3.2 Develop strategies to tackle the "digital divide"	***	**	No 19. Alternative provision of ICT access
AoI 3.3 Improve framework conditions for multi-modal platforms	***	***	No 20. Access to intermodal freight made easier No 21. Customs procedures acceleration No 22. Traffic flows monitoring

Continuation of the table see next page

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Table 8. Synthesis matrix - continuation

Priority Axis 4 Development of transnational synergies for sustainable growth areas			
AoI 4.1 Tackle crucial problems affecting metropolitan areas and regional systems of settlements	***	***	No 23. Demographic Change No 24. Foster competence and transparency in Urban Planning No 25. Promote a new generation of PPPs for better delivery of public goods and services in non-metropolitan areas No 26. Competences for Green Urban Technologies No 27. To fight social exclusion of Roma population in the SEE area
AoI 4.2 Promote a balanced pattern of attractive and accessible growth areas	***	***	No 28. Building Metropolitan Regions No 29. Strengthen integrated planning approaches to contribute to a resource efficient urban development in SEE
AoI 4.3 Promote the use of cultural values for development	*	*	No proposal due to low potential to develop Strategic Projects

Source: Metis

1.6 Conclusions for the selection of strategic themes per policy area

Based on the analysis and resulting from the workshops with SEE experts, a number of challenges have been identified as a matter of strategic importance which can be effectively tackled in the framework of SEE transnational cooperation programme.

The proposed strategic themes (in total 29) are listed per Priority Axis. For each strategic theme a short description on the relevance of the issue, the global objective, main expected outcomes and envisaged project partners is provided.

1.6.1 P1 Innovation

No 1. Policy Learning Mechanisms in Support of Cluster Development (elaborated by JTS, related to AoI 1.2)

The importance to promote policies for improving cluster specific framework conditions is acknowledged by the European Commission and by recent recommendations of the European Cluster Policy Group (ECPG).

The objective is the improved regional public administration ability and capacity to enhance, develop and implement effective regional cluster policy. This will be achieved through transnational development of policy learning understanding and mechanisms.

Main expected outcomes are the ongoing operation of a SEE Cluster Policy Learning Platform, intelligent benchmarking methodology for specific cluster policy - developed or adopted, and tested through pilot action and new policy learning mechanisms developed and piloted. Moreover a synergy protocol and a final evaluation report shall be developed

Project partners should consist of the following types of institutions and authorities: Regional public institutions responsible for cluster policy development and implementation (associated policy too), National public institution responsible for cluster promotion and regional economic development, Academic and research departments involved in cluster studies; R&D transfer and innovation promotion, Cluster associations, confederations of clusters and networks; special interest groups.

No 2. Promoting innovation in services with particular view to fostering creative industries (additional strategic theme related to AoI 1.2)

In recent years policy makers have begun to consider the potential for promoting services innovation as part of their economic development strategies. The European Commission was particularly active in seeking to generate initiatives on services innovation and its policy implications. This has resulted in studies such as "Fostering Innovation in Services" (COM 2007). In line with this effort, the Danube Region Strategy promotes services innovation under Priority Area 8 „To support the competitiveness of enterprises".

As a specific strategic direction in the SEE programme it is proposed to increase development chances for regions which are not so strong in technology with focus on service industry, since this sector is not bound to big capital investments. In the past few years, the interest in policies supporting creativity and innovation in the service sector has increased significantly in function of the economic growth forecasts and the employment potential in this sector. To support the cooperation between enterprises and designers etc., but also between science and creative industries, numerous programmes in the more advanced regions were created. Hence, diffusion of these policies and practices in SEE is envisaged.

Main expected outcome is a developed and tested joint strategy on how to achieve a broader introduction of creative industries in SEE. Pilot project are expected to support the development of "creative villages" in different areas (e.g. on industrial design).

Partners: Policy Makers (public authorities and institutions responsible for innovation policy at national and regional level); special interest groups on the national level to foster innovation and operating bodies/local governments acting as pilot project Implementers; R&D transfer and innovation promotion centres, cluster associations, confederations of clusters and networks; special interest groups.

No 3. Promoting advanced business and technology support services by specific institutions for enterprises and groups of enterprises (additional strategic theme related to AoI 1.2)

It is part of the Europe 2020 Flagship Initiatives: "Innovation Union" and "An industrial policy for the globalisation era" to improve framework conditions for enterprises (especially for SMEs) to innovate through promotion of knowledge partnerships, reinforcing cooperation between universities, research and business, internationalisation of SMEs, improving affordable access to finance and other action. Furthermore it is an objective of the Danube Region Strategy to improve business support services to strengthen the skills of SMEs for cooperation and trade (under Priority Area 8: to support the competitiveness of enterprises).

Correspondingly, the objective is to enhance the capacity of intermediary organisations across SEE in supporting SMEs in developing and marketing of innovation services and technologies in relevant fields. Since 2000, a new generation of regional and local technology agencies has emerged in Western Europe that offer new types of portfolio aimed at pro-actively influencing learning processes within companies and within the region. Unfortunately, delivery capacity, as well as the absorption capacity to adapt and adopt innovative procedures is in most of the SEE area still weak, both for public and private sector.

Expected outcomes will focus on developed new innovative services and technologies that will be offered to SMEs and public sector.

Partners: innovation development related agencies; national platforms of SME supporters; operating bodies as pilot implementers; chambers of commerce; SMEs, R&D and transfer centres, special interest groups.

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No 4. Establish Regional Platforms for Innovation policy development and learning at a broader basis in SEE (additional strategic theme related to AoI 1.3)

It is part of the Europe 2020 Strategy Flagship Initiative: "Innovation Union" to promote the reform of Regional Innovation Systems to foster excellence and smart specialisation, reinforce cooperation between universities, research and business, implement joint programming and enhance cross-border co-operation to ensure the diffusion of technology across the EU territory.

In this context developing effective Regional Innovation Strategies is of paramount importance to intensify communication and collaboration between various actors in the regional innovation system (enterprises, universities, innovation centres, educational institutions, financing institutions, industry associations and government agencies) and to develop a wide range of appropriate actions, which could be relevant in fostering knowledge and innovation (not only clusters which are addressed as one specific instrument by the strategic theme above).

The objective is to foster Regional Innovation Strategies and action plans at a broader basis aimed at developing innovation capability in regions which is essential in SEE. Regional Innovation Strategy projects provide the participating regions with a tried-and-tested approach to the promotion of innovation and practical competitiveness strategies. A partnership-based development of regional innovation strategies as a mechanism for improving the design and delivery of RTDI measures should be underlined.

Main expected outcome is a developed and tested joint strategy on how to achieve a broader application of Regional Innovation Strategies in SEE countries. Moreover regional strategy should be more coherent to respective national and European strategies/policies taking account of available instruments.

Project partners should consist of the following types of institutions and authorities: Policy Makers (public authorities and institutions responsible for innovation policy at national and regional level); special interest groups on the national level to foster innovation and operating bodies acting as pilot project Implementers.

No 5. Foster Entrepreneurial Learning (additional strategic theme related to AoI 1.3)

It is strongly requested by the Europe 2020 Flagship Initiative: "Innovation Union" to promote knowledge partnerships and strengthen links between education, business, research and innovation and to focus school curricula on creativity, innovation, and entrepreneurship.

The objective is to stimulate entrepreneurial spirit, especially among youth, having national and regional education systems available to teach people how to be entrepreneurial, take risks and seize new opportunities. This will be achieved through transnational cooperation among public authorities and educational institutions and development of entrepreneurial learning policy understanding and mechanisms for its implementation. The project should build capacity for developing lifelong entrepreneurial learning and the creation of enterprise skills in general and higher education.

Main expected outcomes are developed strong links among secondary & tertiary education and businesses; intervention in curriculum with more business oriented issues; stronger involvement of business and municipality community in education institutions governance, regional business plan competitions.

Project partners should consist of Ministries and sub-national governments agencies responsible for education, Agencies for curriculum development, Universities, Chambers of commerce, Business support organisations.

No 6. Strengthening the uptake of innovative technologies and services through public procurement (additional strategic theme related to AoI 1.3)

To make full use of demand side policies, e.g. through public procurement is part of the Europe 2020 Strategy. Specifically, to improve the business environment especially for innovative SMEs through public sector procurement to support innovation incentives is explicitly part of the Flagship Initiative: "An industrial policy for the globalisation era" in the framework of the Europe 2020 Strategy.

In line with the EU priority, there seems to be a clear need for (i) building networks of procurers and foster exchange of information and practice (ii) improving their knowledge about innovative solutions available in the market (iii) developing adequate procurement strategies and joint action. In this respect Member States and regions in SEE are encouraged to work more closely together at the policy level to improve innovation-oriented public procurement.

The objective is to develop innovative solutions in public procurement to support innovative products and services. Public procurement is a powerful economic driver to strengthen the uptake of innovative technologies and services. In the programme area the public sector is expected to be the main business contract generator especially through the utilization of Structural Funds. The introduction of an innovation-oriented public procurement requires the development of public procurement rules and the assessment of tender rules that allow for the accommodation of technical change and innovation risks. This topic is strongly promoted by EU initiatives on dealing with innovative solutions in procurement.

Main expected outcomes are developed and tested procurement procedures (as a pilot) based on common strategies that support innovative technologies and services.

Project partners should consist of National, Regional or Local Administration and outsourced supply bodies responsible for innovation related procurements and as "enlighteners" (because impulses are strongly needed from outside the administration) technology agencies, schools of public administration, special interest groups.

No 7. Foster Public Innovation (additional strategic theme related to AoI 1.3)

It is at the heart of the Danube Region Strategy to combat lacking institutional capacity and public service related problems (under Priority Area 10: To build institutional capacity and cooperation). Partnerships of different national, regional or local authorities shall play a crucial role in achieving this target. Activities involved could take the form of trainings and capacity building on good practices and know how transfer covering efficient decision making, transparency requirements, information flow, consultation methods and proactive policy planning.

In the scope of the SEE programme it is proposed to address two major bottlenecks related to institutional capacity and public services (i) lacking procurement effectiveness and (ii) the absence of an intelligent benchmarking methodology for testing of specific public services.

Firstly, the objective is to develop innovative solutions in public procurement to speed up procedures. Due to the absence of administrative capacities and over-complicated procedures slow procurement procedures are a major bottleneck in implementing EU-programmes resulting in the low absorption rate of EU funds. Main expected outcomes are developed and tested procurement procedures (as a pilot) based on common strategies. Project partners should consist of academies, schools of public administration, court of auditors (not public bodies itself, because impulses are strongly needed from outside), business process consultants, special interest groups.

Secondly, the objective is to support approaches to test and benchmark the quality of public services. Main outcomes are developed of intelligent benchmarking methodology for testing of

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specific public services - developed or adopted, and tested through pilot action and new policy learning mechanisms developed and piloted. Best practices should be identifies and recommendation for further activities shall be developed. Project partners should consist of the following types of institutions and authorities: organisations of civil society, consumer protection organisation, academic and research departments involved in measurement of public services, media, public organisations on central or sub-national level.

1.6.2 P2 Environment

No 8. Climate Change adaptation (elaborated by JTS, related to AoI 2.2)

The objective is to raise adaptive capacity and lower the vulnerability of SEE Programme partner states to climate change through coordinated, transnational work. To do so, the project will facilitate the capacity of regional and local authorities to better understand their specific climate vulnerabilities, based on the "exposure-sensitivity-adaptive capacity" model, through methodological work, networking, learning from best practice, and addressing institutional weaknesses.

Main expected outcomes are a set of pilot vulnerability studies for selected regions, based on sectoral threats and/or priorities, data availability and other factors, a flexible methodology and/or guidance documents for regional-level climate vulnerability assessment and the use of assessments in planning adaptation strategies, based on techniques for downscaling, and their integration to local and regional planning, pilot strategies for integration of vulnerability assessment results into regional and local development, spatial and sectoral plans and policies, a platform for exchange between the producers and users of climate change studies, data and information – i.e. technical experts and policy-makers/planners – such as a series of seminars, online tools.

Project partners should consist of the following types of institutions and authorities: Institutions responsible for monitoring and assessing the impacts of climate change: National-level hydro-meteorological institutions or other environmental institutions, Institutions responsible for the development and functioning of regions within a country: ministries of regional development, local government, etc., Selected regional authorities (these should be limited to those with demonstrated experience and/or capacity or motivation to work in the field of climate change vulnerability assessment and adaptation planning), other public institutions of a national or international character with the capacity to address climate change adaptation.

No 9. Warning and civil protection systems (additional strategic theme related to AoI 2.1/2.2)

Large scale catastrophes like the tsunami in South-Asia in 2004 motivated the EU to establish a joint Civil Protection Mechanism for coordinating Member States in the protection of human and natural disasters (Council Decision 2007/162/EC). To a certain extent the issue is also dealt within Directive 2007/60/EC (Flood Directive) and Directive 2008/1/EC (IPPC) Significant progress has been recorded up to date; however in the SEE area large disparities and gaps exist among Member States and IPA countries but also within regions of single states.

The objective is the adaptation of the framework to the specific SEE conditions, especially considering prevention (study of the causes of disasters, forecasting, public information) and preparedness (detection, training, networking, exercises, mobilisation of expertise).

Main expected outcomes are the development of communication channels and standards, manuals and documentation, forecasting applications, interfaces, equipment standardisation, early warning systems, staff exchanges, codes of conduct and training exercises, training curricula, databases, definition of operational scenarios, evaluation exercises etc.

Project partners should consist of the following types of institutions and authorities: civil protection agencies, training institutes, voluntary organisations and regional/local authorities.

Note**:** Flood Risk protection should only be one of the aspects, no project should be funded that deals only with flood risk, since the issue is adequately covered in the open calls.

Projects should not duplicate the efforts of the Civil Protection Mechanism but adapt it to the specific needs of SEE, e.g. on fire fighting of Mediterranean seritonous forests in non-accessible mountain areas.

No 10. Risks in hot spots and urban zones (additional strategic theme related to AoI 2.2 and as Cross Cutting Issue in relation to P.A.4)

In the SEE area a large number of hotspots and also derelict brown fields exist. Among SEE countries large disparities exist in the mapping and documentation of such hot spots, let alone plans for rehabilitation and risk management. The Ajka alumina sludge spill in October 2010 is the last example in a long series of incidents. In the EU the theme is of high interest as evident by the recast of the IPPC directive but also very controversial, as evident by the failure to come to an agreement on a Soil Framework Directive pending since 2007. Also the disparities within the SEE area, e.g. among old and new members states and IPA countries are still enormous. Initiatives like the Regional Environmental Reconstruction Programme (REReP) in the course of the RCC have set first steps, however a broad SEE-wide approach is still necessary.

The objective is the documentation of hot spots and the adaptation of existing risk tools in the SEE environment (urban and rural) with its specific properties regarding e.g. geomorphology, sensitive areas, density, public utilities networks, industrial zones etc.

Main expected outcomes are the development of a methodology for identifying of mapping of hot spots, the definition of risk zones, the assessment of existing hazards of transnational importance, the development of preparedness and reaction plans for highly sensible zones, the adaptation of plans, building codes and renewal programmes etc.

Project partners should consist of the following types of institutions and authorities: civil protection agencies, real estate developers, voluntary organisations and regional/local authorities.

No 11. SEE resources consumption foresights (additional strategic theme related to AoI 2.4 and as Cross Cutting Issue in relation to P.A.4)

The catch-up of the SEE countries with Western Europe is also evident in the adoption of "western" consumption patterns. The theme has a central position on EU 2020 (flagship Initiative "Resource efficient Europe)" and is very relevant to the EU Sustainable Development Strategy. However such a trend is quite fragile due to external drivers e.g. climate change but also due to the vulnerability of the structures (e.g. imported energy dependent production and consumption chains)[20].

The objective is the preparation of authorities and stakeholders in SEE for the development of energy and resources consumption related to external drivers and pressures such as climate change and macroeconomic developments.

Main expected outcomes are studies, maps, impact matrices at SEE level on resources demand and supply indices, scenarios on the on different options, action plans and policy guidance etc. As a general rule studies should be eligible only as a step leading to concrete actions.

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[20] See also SEK(2008) Regions 2020

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Project partners should consist of the following types of institutions and authorities: research institutes, special interest groups, regional/local authorities, energy providers, chambers, consumers associations.

No 12. Energy and resource efficient transport (additional strategic theme related to AoI 2.4)

On of the biggest and fastest growing consumers of energy in South East Europe is transport and especially road-bound, petrol transport, surpassing in many regions housing or declining industrial needs. The theme has a central position on EU 2020 (flagship Initiatives "Innovation Union" and "Resource efficient Europe).

The objective is the promotion of resource efficient transport, especially in SEE urban areas through energy efficiency assessment and life cycle costs approaches.

Main expected outcomes is the definition of energy and resource demand baselines, the development of indicators systems, the testing of energy and resource efficient solutions and the elaboration of guidelines and manuals for energy and resource efficient urban public transport. Attention should be given also in the integration of Renewable Energy Sources in the transport energy and resources supply chain.

Project partners should consist of the following types of institutions and authorities: regional/local authorities, public transport organisations, research institutes and special interested groups.

No 13. Support for development and marketing of renewable energy (additional strategic theme related to AoI 2.4)

The SEE area is endowed with numerous sources of renewable energy (RES) (biomass, geothermy, wind, solar, hydro-power etc.). The theme has a central position on EU 2020 (flagship Initiatives "Innovation Union" and "Resource efficient Europe) and also on operative documents like the Directive 2009/28/EC (RES). In some countries there is already a relative mature RES market, while others are in the course of catching up (also through public subsidies and fostered feed-in tariffs) while others are still relying on fossil fuels and/or nuclear energy. Energy efficiency is also a potential hardly exploited, which goes hand-in-hand with a turn towards RES.

The objective is to assist the sustainable development of the RES market in SEE. The theme could deal with issues like the expansion and management of the decentralised power grids at transnational level, the coordination of renewable energy providers across the region, the inclusive and broad development of an RE producer pool, the implications for an indigenous regional development (social and economic aspects) etc. Technical know-how is already mature and should not be the main focus in this theme.

Main expected outcomes are studies, agreements, action plans, incentive programmes and awareness and training initiatives and eventually pilot investments. As a general rule studies should be eligible only as a step leading to concrete actions.

Project partners should consist of the following types of institutions and authorities: chambers and professional associations, special interest groups, regional/local authorities. Profit-oriented public utilities companies can be included if justified.

1.6.3 P3 Accessibility

No 14. Network of Hubs Cities for increased people mobility in the SEE region (elaborated by JTS, related to AoI 3.1)

The overall objective of the strategic direction is the improvement of the accessibility and the mobility of passengers from, to and across the SEE programme area, by efficient and transnational oriented reorganisation and improvement of collective transport services along the existing transport network of infrastructures and fleets. To do so, the project aims to improve the coordination of the existing transport services within relevant (Hub) cities of the SEE programme area (so called first level of accessibility) organised in a network and among them and their surrounding regions, satellite agglomerations and functional areas (including neighbouring airports and ports, also when located beyond borders) to offer seamless mobility opportunities to all passengers from transnational to regional continuity of journeys (second level of accessibility).

Project partners should consist of the following types of institutions and authorities: National and regional authorities and other institution with clear competences of development of passenger transport and connections with neighbouring countries (included custom procedures), Municipalities that could be clearly identified as nodes of a transnational accessibility for the passengers, both from the geographic location, the dimension and services and opportunities they offer (university pole attracting students for the neighbouring countries, employment opportunities, tourist node, proximity with airports and ports…), Railway companies and authorities of the countries involved in the project, Collective transport providers at national, regional and local level which have role in ensuring the needed network of connections within the project pilot network, Port Authorities, Institutes for research and innovation on transport able to support the adaptation of tools and ensure theoretical advice towards the specific project objective

No 15. Access to intermodal freight made easier (elaborated by JTS, related to AoI 3.3)

The ultimate goal for a strategic project under this theme is to support the improvement and organisation of intermodal services and procedures for a quality and less polluting integrated freight transport system between the sea and inland ports and the landlocked countries , through a better use of the existing infrastructure for alternative transport modes (railways, inland waterways and maritime) as well as by promoting coordination between the stakeholders and the decision makers, to pave the way to a more flexible and easy-to-access intermodality for the SMEs.

Project partners should consist of the following types of institutions and authorities: National/ regional authorities with clear competences of development of freight transport and connections with neighbouring countries (included custom procedures), customs authorities, railway freight operators, Port Authorities, inland navigation institutions, shipping operators, logistics operators if eligible according to programme rules, chambers of commerce and logistics associations if eligible according to the programme rules, institutes for research and innovation on transport able to support the adaptation of tools and ensure theoretical advice towards the specific project objective.

No 16. High quality (capacity, reliability, speed) freight network in SEE (focus on rail) (additional strategic theme related to AoI 3.1)

Western and Central Europe is on the way of constructing and designing long distance high speed railways. In the next 5-10 years high speed network infrastructure will reach Vienna. For SEE countries it is an essential interest to join this high quality transport sector, to maintain their economic interests and chances to equalise their disadvantages. The theme is addressed in the

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TEN-T Policy Review, the EU 2020 (flagship Initiative "Resource efficient Europe"), the DRS and the 5th Cohesion Report and of course is one of the focuses of WBIF activities.

Naturally not all of the sub regions of the SEE region will be touched by the high speed rail. An axis is necessary to improve the accessibility in general and high quality connections are needed to be able to reach these axis elements. This approach can be two-old, focusing on new developments e.g. through the elaboration of feasibility studies or through the upgrade of existing networks, e.g. through ro-ro and ro-la terminals etc.

The objective is to assist SEE in the creation of the prerequisites for a high quality freight network. In the SEE context however one has to consider the inherent constraints imposed by the political fragmentation and the "market-public sector rivalry" over road and rail. Hence the obstacles to be tackled are not only of technical nature but have a lot to do with the institutional network and its capacity. Strategic efforts on this theme will have to encompass that network with its capacities and limits.

Main expected outcomes are studies, common positions, promotion activities, action plans, terms of reference, harmonised secondary legislation acts and standards, pilot investments etc. As a general rule studies should be eligible only as a step leading to concrete investments.

Project partners should consist of the following types of institutions and authorities: forwarding and transport chambers and associations, road and railway authorities, research and planning institutes, ministries and their supervised bodies.

No 17. Coordination of upgrade and investments of coastal ports and hinterland infrastructure (transnational port development strategy) (additional strategic theme related to AoI 3.1)

SEE countries are in strategic position concerning high sea ports of considerable importance. It is necessary to improve the accessibility of these ports by investing in hinterland infrastructure. The importance of the topic is acknowledged also in EU 2020 (flagship Initiative "Resource efficient Europe").

the objective is the enhanced coordination between ports and their surrounding regions but also between ports themselves in order to avoid disinvestments in infrastructure programmes e.g. through specialisation in different types of goods. In the SEE area ports are playing an important short to mid-term role, taking in account the time projections for the completion of inland infrastructure. A tight coordination and collaboration between high sea, coastal and inland waterway and inland land transport is an important potential of accessibility.

Main expected outcomes are studies, common positions, promotion activities, action plans, terms of reference, pilot investments etc. As a general rule studies should be eligible only as a step leading to concrete investments.

Project partners should consist of the following types of institutions and authorities: forwarding and transport chambers and associations, port authorities, research and planning institutes, ministries and their supervised bodies.

No 18. Monitoring of studies and development plans (update of decision bases) (additional strategic theme related to AoI 3.1)

A number of plans and studies had been elaborated in the past in SEE countries separately as well as for the whole region. Due to financial shortages a great part of them was neither realized, nor constructed or implemented. It is inevitable to make an inventory about these very useful documents, and it is also necessary to make them up-to-date for the purpose of using them if realization becomes relevant.

The objective is the creation of an up to date, reliable and ready to use decision making base.

Main expected outcomes are updates of studies, thesauri and directories.

Project partners should consist of the following types of institutions and authorities: regional /local authorities, planning institutes, ministries and their supervised bodies.

No 19. Transport infrastructure investments and cohesion (additional strategic theme related to AoI 3.1 and as Cross Cutting Issue in relation to P.A.4)

Transport infrastructure investments on a large scale (e.g. in the TEN-T context) have tremendous regional, economic and social development effects. This is neither deterministic nor always positive for all affected regions. In general improvement of accessibility facilitates cohesion, hence allowing regions to maintain their character while better integrating themselves but can also enhance polarisation, promoting growth poles and stripping peripheral areas. Hence there is an imminent relation between Connection, Cohesion and Competition. the situation is even more complicated due to the fact that this antagonism exists not only at the SEE level but also among single countries, hence dealing with diverging and in some cases contradicting local, regional and national interests

In the SEE context a concentration of transport axes and corridors is observed, which when implemented will have an impact on spatial patterns of economic and social activities and environmental capacities. These impacts could be categorised as immediate, mid and long term and be accordingly examined and also be coordinated with spatial planning.

Main expected outcomes are studies, common positions and agreements, investment and policy guides, programmatic planning documents, territorial impact assessment of transportation plans and big investments, impact models, visibility actions etc. As a general rule studies should be eligible only as a step leading to concrete action plans and as a decision making base.

Project partners should consist of the following types of institutions and authorities: regional/local authorities, research and planning institutes, ministries and their supervised bodies.

No 20. Alternative" provision of ICT access (via universities and regional and local administration) (additional strategic theme related to AoI 3.2)

All international statistics reveal the low ICT penetration in SEE. However the theme is a mainstay of EU 2020 (flagship Initiative "A Digital Agenda for Europe") and also the DRS and 5th Cohesion Report.

The objective is the closing of the digital gap through broadband and wireless rollout in regions and areas, where commercial interest seems improbable in the short to mid-term. Experience in some SEE countries showed encouraging examples from local authorities providing area wireless access or cooperation with local universities in sharing bandwidth. The benefit of such an intervention is expected to be largest in disadvantaged areas, such as mountain areas, remote rural areas, specific geographic units (e.g. Carpathians), areas with problematic and/or seasonal physical accessibility etc.

Main expected outcomes are studies, action plans, business models, procedure manuals and eventually small pilot investments.

Project partners should consist of the following types of institutions and authorities: regional/local authorities, universities, chambers and citizens associations.

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No 21. Customs procedures acceleration (additional strategic theme related to AoI 3.3)

The impact of customs processes and practises frequently and usually hampers the fluency of transport processes to an enormous extent. An analysis is necessary to show the real time, cost and other economic losses because of unnecessary and evitable decelerating purposes and their origin. Specific aspects to be considered are passengers and freight controls and also possible influence on the modal split through improvement of customs procedures e.g. on rail transport. The theme is relevant to EU 2020 (flagship Initiatives "Innovation Union" and "Resource efficient Europe" and "A Digital Agenda for Europe") and of course to activities of the Central European Free Trade Agreement

The objective is the improvement and acceleration of custom procedures through ICT solutions to the mutual benefits of public and private partners but also to the environment and citizens.

Main expected outcomes are studies, action plans, terms of reference, harmonised secondary legislation acts and standards, prototypes, pilot investments etc. As a general rule studies should be eligible only as a step leading to concrete implementation measures.

Project partners should consist of the following types of institutions and authorities: forwarding and transport chambers and associations, research and planning institutes, customs authorities, ministries and their supervised bodies.

No 22. Traffic flow monitoring (passengers, freight, service providers) (additional strategic theme related to AoI 3.3)

Decisions from network and transport system development in SEE countries also require thorough, differentiated, up-to-date and relevant information and figures. Traffic and transport flow data, as well as quality and traffic safety data are necessary from all SEE countries to elaborate proper development strategies and operational level design, to promote the high quality accessibility of the region and its sub regions. The theme is relevant to EU 2020 (flagship Initiatives "Innovation Union" and "Resource efficient Europe" and "A Digital Agenda for Europe").

The objective is the improvement of the decision making base on transport issues to the mutual benefits of public and private bodies.

Main expected outcomes are studies, monitoring system requirements, terms of reference documents and eventually a pilot system.

Project partners should consist of the following types of institutions and authorities: regional/local authorities, road and railway operating companies, research and planning institutes, ministries and their supervised bodies.

1.6.4 P4 Sustainable Growth Areas

No 23. Managing Demographic Change in SEE - Migration and Human Capital as key for sustainable economic grow (elaborated by JTS, related to AoI 4.1)

Demographic Chance is a key challenge in the European Union. In its recent Demography Report (2008): Meeting Social Needs in an Ageing Society, the European Commission is stressing the importance of tackling the demographic challenges in key areas like employment, productivity, human capital and migration.

The objective is to design new ways of managing migration-related demographic changes, by amplifying positive impacts and minimizing disadvantages on human capital and the labour market with the aim of achieving sustainable economic competitiveness of SEE countries, regions and cities.

Main expected outcomes are improved systems for baseline data & monitoring; established transnational platform and coordination-mechanism for continuous policy dialogue and policy learning, improved, evidence-based policies, strategies and governance models and action plans setting out implementation of new pilot ventures.

Project partners should consist primarily of the following types of institutions and authorities: national authorities, regional and/or local authorities representing territories facing either significant in- or out-migration, actor with extensive (international) expertise in collecting and processing data and information related to the project's topics and area.

No 24. Foster competence and transparency in Urban Planning by a broad approach in SEE cities (additional strategic theme related to AoI 4.1)

The "Urban Acquis" (see section 1.4.9) promotes strongly the development of accountability and transparency in urban planning. Correspondingly, the key partners in urban planning should be mobilised in the better planning, implementation and evaluation of urban development. This could include to optimise and standardise public decision making procedures within an economic calculable time frame; to enhance the transparency of the obligations and conditions for private investors (e.g. binding handbook of the administration addressing investors explaining clearly defined, reliable requirements for development) or to define "key area programmes" as a basis for the implementation of project management methods.

In line with the "Urban Acquis" and as part of the "urban dimension" agenda of the ERDF, the objective of the strategic theme is to enhance the Planning Competence and Planning Transparency of SEE cities by improved planning instruments, planning technologies and processes on the one hand and through the application of monitoring & evaluation, Code of Conducts (to ascertain the rule of law in the field of planning) and public participation. Monitoring & Evaluation is an important tool to assess outcomes of urban strategies, however, many cities in the area are in general not familiar with this practical tool. Promising approaches in tackling these common challenges should be exchanged and tested. Common guidelines for improved, participatory and more transparent planning shall be developed. Moreover the capacity of the civil society to influence decision making processes need to further developed.

The main outcome of the projects implemented under this theme consists in the piloting of innovative solutions/practices to enhance Planning Competence and Planning Transparency, such as participatory analysis and decision tools (PA/DT). The pilots will be based on a sound review of innovative practices and the lessons learnt will be mainstreamed in the partner countries with a view to disseminate the most promising approaches for further adoption.

Project partners should consist of the following types of institutions and authorities: local and regional authorities preferably from a mix of larger and medium sized cities, planning and architecture associations, urban interest groups.

No 25. Promote a new generation of PPPs for better delivery of public goods and services in non-metropolitan areas (additional strategic theme related to AoI 4.1)

To combat public service related problems and to improve the quality of public services is one of the core objectives of the Danube Region Strategy under Priority Area 10: To build institutional capacity and cooperation. This could be achieved by intensifying the involvement of private actors in the provision of public services and infrastructures particularly in non-metropolitan areas by using appropriate forms of Public-Private-Partnerships (PPPs).

The objective is the development and testing of improved PPP solutions in order to tackle the problems related to the provision of public infrastructures and services of general interest outside the agglomerations. Cost-sharing potentials and pooling effects should be explored e.g.

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in the fields of infrastructure (waste disposal, water treatment, wastewater treatment plants), innovation and research facilities or health care amenities. New PPP models need to be developed and implemented to make full use of these potentials. Current or recent PPPs (Public-Privat-Partnerships) have concentrated primarily on financial engineering and frequently failed to meet the public interest – not seldom also the private investor's interest. Contrary to that the new generation of PPPs should focus on the joint definition of the scope of services and the different roles of the public sector (e.g. zoning, preferences, property rights, etc.) and the private (semi-private) actors (service operations, investment).

The main outcome of the projects consists in the piloting of innovative solutions/practices to restructure infrastructures and public services in regions outside of agglomerations and in strategies and recommendations for regions and cities to tackle non sufficient provision of public services. It will be based on a sound analysis and will further develop the competences to tackle this issue within relevant institutions in SEE cities and regions.

Project partners should consist primarily of the following types of institutions and authorities: local, regional and national authorities, public infrastructure and service providers at local or regional level, private and semi-public service providers and investors in (social) infrastructure, relevant research institutes.

No 26. Enhance competences for Green Urban Technologies (GUT) in SEE cities (additional strategic theme related to AoI 4.1)

To promote Green Urban Technologies is part of the Eco-innovation agenda of the European Union which has become one of the EU's priorities. Moreover Green Technologies are addressed by the Europe 2020 Flagship Initiative "Resource efficient Europe". In line with the EUs overarching priorities the Danube Region Strategy supports Green Urban Technologies under Priority Area 10: To build institutional capacity and cooperation.

The objective is to transfer knowledge and enhance urban technologies and strategies since SEE cities need to exchange and transfer their know-how and to develop and implement modern urban technologies and strategies. There is a need for innovative and sustainable solutions for example in the housing sector, in mobility, in environmental upgrading, in coping with economic structural changes and in upgrading public services. There are environmental-friendly technologies and strategies for cities and municipalities available abound, which should be better shared.

Main expected outcomes are developed and tested common concepts for the better uptake of Green Urban Technologies in SEE cities. Moreover practical options and bottlenecks for better application of GUT have been identified.

Project partners should consist primarily of the following types of institutions and authorities: local and regional authorities, public infrastructure and service providers at local or regional level, relevant research institutes and public interest groups as environmental organisations or civil society initiatives.

No 27. To fight social exclusion of Roma population in the SEE area (additional strategic theme related to AoI 4.1)

In the SEE area Roma experience greater social and economic exclusion, spatial segregation and sub-standard living conditions than the majority populations. Roma populations often live in segregated, isolated districts where living conditions are poor with problems of extreme overcrowding and a lack of basic facilities all of which contribute to and aggravate their poor health condition. According to the EC report on the Situation of Roma in an Enlarged European Union the housing issue is among the key challenges to achieving full equality for Roma in Member States.

The objective is to tackle social exclusion affecting urban and regional settlements by promoting urban and regional housing recovery activities of the Roma community. The integration of Roma populations is a key factor in a cohesive society and in delivering the goals of the EU 2020 Strategy. By means of a transnational policy dialogue which allows the exchange of experiences and good examples a joint strategy to promote the integration of Roma should be developed.

Main expected outcomes include a study on recent transnational trends in housing patterns of Roma and the role of cities and municipalities in the development and implementation of social inclusion policies. Furthermore, the transnational approach of the issue focuses on a joint strategy. This strategy comprises rolling action plans which set out the implementation of new pilot ventures.

Project partners should consist primarily of the following types of institutions and authorities: national authorities, regional and/or local authorities and public interest groups as civil society initiatives.

No 28. Building Metropolitan Regions in the SEE area (additional strategic theme related to AoI 4.2)

It is strongly promoted by the EU strategy for the Danube Region (DRS) to initiate a platform of existing and emerging metropolis regions in order to establish a framework for learning and development of common action (under Priority Area 10: To build institutional capacity and cooperation). This proposed action is fully valid for the SEE countries which are not covered by the DRS.

The objective is to support the development of functional regions and the elaboration of integrated strategy for a number of functional regions in SEE, whereby functional regions could be either of national, cross-border or transnational scope. A platform of existing and emerging metropolis regions should be initiated in order to establish a framework for learning and development of common ideas in all areas relevant to metropolitan development. City networks should promote cooperation and exchange of information and experience among e.g. administrative experts, municipal and regional parliaments. A common understanding about benefits of functional approaches should be build-up. Moreover, there is a scope for knowledge exchange of agglomeration development strategies. This will lead to faster dissemination of good practice and the detection of promising fields of concrete cooperation on public authority level and for business within specific territories.

Main expected outcomes are established communication platforms and a number of joint guidelines and action plans for improving cooperation within functional regions representing integrated urban development models.

Project partners should consist primarily of the following types of institutions and authorities: local and regional authorities with clear functional relationships and, relevant research institutes, interest groups. Proposals from Planet-Cense/polycentric urban system could form the starting point for gathering appropriate partnerships.

No 29. Strengthen integrated planning approaches to contribute to a resource efficient urban development in South East Europe (additional strategic theme related to AoI 4.2)

Resource efficient growth strategies are very high on the European Policy agenda and addressed by a Europe 2020 flagship initiative.

In order to contribute to a resource efficient South East Europe the objective of the strategic theme is to strengthen the interfaces between transport policy, energy policy and spatial development policy particularly in agglomeration zones.

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Common problems of agglomeration zones are increasing sub-urbanisation processes causing increasing commuting activities with negative environmental impacts. Moreover corresponding development patterns are highly energy consuming. Generally speaking there is a lack of co-operation between decision makers in transport policy, energy policy and spatial development policy to tackle this challenge. Through better coordinated strategic planning it should be possible in the long run to reduce traffic and transport needs and energy and resource use. Planning instruments, regulations and related development instruments shall be better used to achieve this aim. This should be tackled in an integrated manner and requires an interdisciplinary approach and the cross-linking of the transport and energy sector with spatial planning and regional development strategies.

Main expected outcomes are established communication platforms and a number of joint guidelines and action plans for improving integrated development models to contribute to a resource efficient urban development in South East Europe.

Project partners should consist primarily of the following types of institutions and authorities: local and regional authorities, relevant research institutes, transport authorities, energy providers, and interest groups.

Annex 1: SEE OP Priorities vs. the EU 2020 Strategy and Danube Region Strategy

SEE Operational Programme 2007-2013	EU Strategy for the Danube Region (Action Plan)[21]			EU 2020 strategy
AoI	Priority Areas	Actions	Projects	Flagship initiatives (selected actions)
Priority Axis 1 Facilitation of innovation and entrepreneurship	**Pillar C) Building Prosperity in the Danube Region**			
AoI 1.1 Develop technology & innovation networks in specific fields	PA 7) To develop the knowledge society through research, education and information technologies	• To strengthen cooperation among universities and research facilities and to upgrade research and education outcomes by focusing on unique selling points • To coordinate better national, regional and EU funds to stimulate excellence in research and development, in research areas specific for the Danube Region • To cooperate in implementing the flagship initiative "Innovation Union of the Europe 2020 Strategy" in the Danube region countries	• To promote the exchange of students and scientists in the Danube Region • To emphasise Danube Region specifics in the curricula of university programmes • To create a Danube research area through coordination of funds • To establish a peer-review mechanism to regional smart specialisation strategies • To establish joint international research centres for advanced studies	• Develop a strategic research agenda focused on challenges such as energy security, transport, climate change and resource efficiency, health and ageing, environmentally-friendly production methods and land management • To promote technologies and production methods that reduce natural resource use, and increase investment in the EU's existing natural assets; • To reform national (and regional) R&D and innovation systems to foster excellence and smart specialisation, reinforce cooperation between universities, research and business, implement joint programming and enhance cross-border co-operation in areas with EU value added and adjust national funding procedures accordingly, to ensure the diffusion of technology across the EU territory • To improve the conditions for enforcing intellectual property
AoI 1.2 Develop the enabling environment for innovative entrepreneurship	PA 8) To support the competitiveness of enterprises, including cluster development	• To foster cooperation and exchange of knowledge between SMEs, academia and the public sector in areas of competence in the Danube Region • To improve business support services to strengthen the skills of SMEs for cooperation and trade	• To promote services innovation in the Danube Region • To utilise better the performing, heritage and cultural assets of the Region by developing strengths in the creative, entertainment and tourism industries • To establish a Danube Region network for	• To improve the business environment, especially for SMEs, including through reducing the transaction costs of doing business in Europe, the promotion of clusters and improving affordable access to finance; • To promote the internationalisation of SMEs • To improve framework conditions for business to

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[21] It has to be noted that the Danube Region Strategy is <u>not valid for the whole of the SEE programme area</u> but covers most of the SEE countries: 12 out of 16 countries with the exception of Albania, FYROM, Greece and Italy

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SEE Operational Programme 2007-2013		EU Strategy for the Danube Region (Action Plan)[21]		EU 2020 strategy
AoI	**Priority Areas**	**Actions**	**Projects**	**Flagship initiatives (selected actions)**
		• To support enterprises through high performing training and qualification schemes • To prioritise the effective implementation of measures provided for under the Small Business Act for Europe • To improve the competitiveness of rural areas and in particular of the agricultural sector • To eliminate cross border barriers and bottlenecks to people and business – Seamless Europe for a liveable Danube region • To support creativity and entrepreneurship • To develop a Danube Region programme for clusters and SME-networks • To facilitate the transfer of creative knowledge in the Danube Region • To improve framework conditions for SMEs in areas where competitive infrastructure is missing	innovative environmental technologies • To hold annual business forums bringing together Danube Region businesses, governments, regional organisations and the academia • To strengthen Danube Region entrepreneurs and SMEs • To develop joint programmes for professional education and vocational training together with enterprises • To support the development of a network of Fisheries Local Action Groups (FLAGS) that promotes diversification of economic activities and creation of new employment opportunities in fisheries areas • To support the implementation of eco-efficient production processes in SMEs	innovate (i.e. improve access of SMEs to Intellectual Property Protection, improve access to capital and make full use of demand side policies, e.g. through public procurement and smart regulation); • To ensure a sufficient supply of science, maths and engineering graduates and to focus school curricula on creativity, innovation, and entrepreneurship • To prioritise knowledge expenditure, including by using tax incentives and other financial instruments to promote greater private R&D investments • To improve the business environment especially for innovative SMEs, including through public sector procurement to support innovation incentives • To reduce administrative burden on companies, and improve the quality of business legislation • The creation and growth of SMEs will be supported by making it easier for them to access credit and help their internationalisation • A new strategy on raw materials will be presented to create the right framework conditions for sustainable supply and management of domestic primary raw materials

SEE Operational Programme 2007-2013	EU Strategy for the Danube Region (Action Plan)[21]			EU 2020 strategy
AoI	Priority Areas	Actions	Projects	Flagship initiatives (selected actions)
AoI 1.3 Enhance the framework conditions and pave the way for innovation	PA 7) To develop the knowledge society through research, education and information technologies	• To strengthen the capacities of research infrastructure • To develop and implement strategies to improve the provision and uptake of Information and Communication Technologies in the Danube Region • To use e-content to improve the efficiency and effectiveness of public and private services • To stimulate the emergence of innovative ideas for products and services and their wide validation in the field of the Information Society, using the concept of Living Labs	• To build upon the existing projects to promote the Information Society in lagging or in rural areas • To build upon the existing projects to promote the Information Society for SMEs • To provide ICT based training for the general public, especially for prioritized target groups such as low-income, elderly or disabled • To increase the use of electronic signatures / e-identification for e-commerce and administration • To promote the availability of e-Government services across the region • To promote innovation and business' success in new markets	• To promote knowledge partnerships and strengthen links between education, business, research and innovation • To work closely with stakeholders in different sectors (business, trade unions, academics, NGOs, consumer organisations) to identify bottlenecks and develop a shared analysis on how to maintain a strong industrial and knowledge base and put the EU in a position to lead global sustainable development. • Sector-specific innovation performance will be addressed through actions in sectors such as advanced manufacturing technologies, construction, bio-fuels and road and rail transport, particularly in view of improving resource efficiency • The challenges of energy-intensive industries will be addressed through actions to improve framework conditions and support innovation

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SEE Operational Programme 2007-2013	EU Strategy for the Danube Region (Action Plan)			EU 2020 strategy
AoI	**Priority Areas**	**Actions**	**Projects**	**Flagship initiatives (selected actions)**
Priority Axis 2 Protection and improvement of the environment	**Pillar B) Protecting the environment in the Danube Region**			• To establish a vision of structural and technological changes required to move to a low carbon, resource efficient and climate resilient economy by 2050 which will allow the EU to achieve its emissions reduction and biodiversity targets; this includes disaster prevention and response, harnessing the contribution of cohesion, agricultural, rural development, and maritime policies to address climate change, in particular through adaptation measures based on more efficient use of resources, which will also contribute to improving global food security.
AoI 2.1 Improve integrated water management and flood risk prevention	PA 4) To restore and maintain the quality of waters PA 5) To manage environmental risks	• To implement fully the Danube River Basin Management Plan • To continue to invest in and support the information collection systems already developed by ICPDR • To continue and boost major investments in building and upgrading urban wastewater treatment facilities across the Danube Basin, including measures to build capacity at the regional and local level for the design of such infrastructure • To establish buffer strips along the rivers to retain nutrients and to promote alternative collection and treatment of waste in small rural settlements • To treat hazardous substances and contaminated sludge with the newest and best available technology and to develop and promote remediation measures for hazardous producing or abandoned industrial sites and waste deposits	• To complete and adopt Danube Tributaries' River Basin Management Plans • To complete and adopt a Management Plan for the Danube Delta • To establish and complete the Sava GIS • To make the feasibility study for restoring continuity at the Iron Gates • To carry out an assessment for restoration of the sediment balance in the Danube • "To examine biodiversity and environmental status of sediment, water and biota in the Sava River Basin • To draft and implement a Water and Climate Adaptation Plan for the Sava River Basin • To evaluate impacts of climate change on the availability and safety of public drinking water supply through the existing CC-WaterS project currently underway • To complete and make full use of the outputs of the DANUBE FLOODRISK project currently	

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SEE Operational Programme 2007-2013	EU Strategy for the Danube Region (Action Plan)			EU 2020 strategy
AoI	Priority Areas	Actions	Projects	Flagship initiatives (selected actions)
		• To legislate at the appropriate level to limit the presence of phosphates in detergents • To reduce existing continuity interruptions for fish migration in the Danube river basin • To promote measures to limit water abstraction • To extend the coverage of the European Floods Alert System (EFAS) system • To support wetland and floodplain restoration as an effective mean of enhancing flood protection, and more generally to analyse and identify the best response to flood risk • To develop spatial planning and construction activities in the context of climate change and increased threats of floods • To promote measures aimed at reducing knowledge deficits, developing and transferring tools, methods and guidelines concerning the safeguarding of drinking water supply • To foster and develop an active process of dialogue and cooperation between authorities responsible for agriculture and environment to ensure that measures are taken to address agricultural pollution	underway • To promote transnational conservation of the remaining floodplains along the entire length of the Danube by completing existing initiatives and promoting new ones, including along tributaries • To support the Morava-Thaya Basin initiatives	
AoI 2.2 Improve prevention of environmental risks	PA 5) To manage environmental risks	• To develop and adopt one single overarching floods management plan at basin level or a set of flood risk management plans coordinated at the level of the international river basin • Anticipate regional and local impacts of	• To foster transnational cooperation via ICPDR in order to develop a Climate Change Adaptation Strategy for the Danube Region • To implement a comprehensive transboundary risk management project in the Danube Delta	• To phase out environmentally harmful subsidies, limiting exceptions to people with social needs • To deploy market-based instruments such as fiscal incentives and procurement to adapt production and consumption methods

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SEE Operational Programme 2007-2013	EU Strategy for the Danube Region (Action Plan)			EU 2020 strategy
AoI	Priority Areas	Actions	Projects	Flagship initiatives (selected actions)
		climate change through research • To continuously update the existing database of accident risk spots (ARS Inventory),contaminated sites and sites used for the storage of dangerous substances • To develop rapid response procedures and plans in case of industrial accidental river pollution • To maintain and improve the quality of soils (3 actions) • To improve the quality of air • To assure the proper control and progressive substitution of substances that are considered problematic for Danube region	• To prepare and implement a Water Pollution Contingency Management Plan for the Sava River Basin • To deploy a set of sensors and actuators all along the river and network them through the broadband infrastructure, allowing for events surveillance and risk prevention • To implement the strategy for soil protection • To use GIS databases to establish critical loads of air pollutants for the Danube region ecosystems • To implement the DREWS project (the Danube River Early Warning System) • To set up a waterway emergency centres	
AoI 2.3 Promote co-operation in management of natural assets and protected areas	PA 6) To preserve biodiversity, landscapes and the quality of air and soils	• To preserve and maintain biodiversity and landscapes and contribute to the 2050 EU vision and 2020 EU target for biodiversity (5 actions) • To greatly strengthen cooperation at sub-basin level • To strengthen general awareness and facilitate exchange of good practice in integrated water management issues in the Danube Basin among decision-makers at all levels and among the population of the Region • To further strengthen Integrated Coastal Zone Management (ICZM) and Maritime Spatial Planning (MSP) practices on the Western shores of the Black Sea • To strengthen operational cooperation among the emergency response authorities	• To complete the Lower Danube Green Corridor • To carry out the next Joint Danube Survey by 2013 and to complete the development of the existing Danube GIS Database • To develop strategies for resilience of local communities to natural disasters through the existing MONITOR II project currently underway • To strengthen operational cooperation between the emergency response authorities in the Danube countries and to improve the interoperability of the available assets in order to reduce damages, protect citizens and ensure an appropriate response to emergencies • To implement the Danube River Network of Protected Areas (DANUBEPARKS)	

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SEE Operational Programme 2007-2013		EU Strategy for the Danube Region (Action Plan)		EU 2020 strategy
AoI	**Priority Areas**	**Actions**	**Projects**	**Flagship initiatives (selected actions)**
		in the Danube countries and to improve the interoperability of the available assets • To educate people on the value of natural assets, ecosystems and the services they provide (3 actions) • Managing protected areas and NATURA 2000 sites effectively • Protecting and restoring most valuable ecosystems and endangered animal species • Develop green infrastructure in order to connect different bio-geographic regions and habitats • Preparing and implementing transnational spatial planning and development policies for functional geographic areas (river basis, mountain ranges etc.) • To explore together the appropriateness of reviewing the Convention concerning Fishing in the Waters of the Danube • To decrease the input of pesticides into the environment of the Danube Region (2 actions)	• To provide expertise related to the Danube Delta and similar protected areas • To connect people with the Danube • To build a network of Danube 'forest' schools • To strengthen and extend the Mura-Drava-Danube Biosphere Reserve • To restore the natural environment, wildlife and vegetation along the Danube • To identify and protect old growth forests of the Danube basin • To identify and protect old growth forests of the Danube basin • To develop the Alpine-Carpathian Corridor • To implement the VASICA - Visions and Strategies in the Carpathian area", including the BIOREGIO Carpathians project	
AoI 2.4 Promote energy and resource efficiency	PA 2) To encourage more sustainable energy	• Energy infrastructure: "To coordinate the long-term energy policies as well as the national investment strategies (power plants, grids, pipelines, interconnectors, etc.), taking into account the Strategic Environmental Impact Assessments" (4 actions) • Energy markets: "To establish an integrated and well functioning market for energy" (2 actions) • To tap possible cooperation opportunities	• To implement the already agreed infrastructure projects on time, in particular the TENE and the European Energy Programme for Recovery projects in the Region, especially the important interconnectors and pipelines • To work together towards the implementation of the Coordinated Auction Office • To create a network to exchange experiences • To design and implement a research and	• To develop smart, upgraded and fully interconnected transport and energy infrastructures and make full use of ICT • To use regulation, building performance standards and market-based instruments such as taxation, subsidies and procurement to reduce energy and resource use and use structural funds to invest in energy efficiency in public buildings and in more efficient recycling • To incentivise energy saving instruments that

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SEE Operational Programme 2007-2013	EU Strategy for the Danube Region (Action Plan)			EU 2020 strategy
AoI	**Priority Areas**	**Actions**	**Projects**	**Flagship initiatives (selected actions)**
		with the Energy Community • Energy efficiency and renewable energies (2 actions) • To implement the National Renewable Energy Action Plans and to prepare a Danube Region Renewable Energy Action Plan (4 actions) • To facilitate networking and cooperation between national authorities in order to promote awareness and increase the use of renewable energies	development programme (including SMEs) for innovative, sustainable insulation material and other measures to improve energy performance in buildings • To set-up a cooperation mechanism between the regions of the Alpine Convention and the regions of the Carpathian Convention for the transfer of best practices, best available technologies, environmental and social know-how • To set-up a cooperation mechanism between the regions of the Alpine Convention and the regions of the Carpathian Convention for the transfer of best practices, best available technologies, environmental and social know-how • RECORA • To foster the sustainable usage of biomass building on the "4Biomass" project • To explore the scope for sustainable hydropower development in the part of the Sava basin shared by Slovenia and Croatia • To build on the "Sustainable Energy Development Regional Initiative (SEDRI) project to promote energy efficiency	could raise efficiency in energy-intensive sectors, such as based on the use of ICTs • To present an initiative to upgrade Europe's networks, including Trans European Energy Networks, towards a European supergrid, "smart grids" and interconnections in particular of renewable energy sources to the grid (with support of structural funds and the EIB). This includes to promote infrastructure projects of major strategic importance to the EU in the Baltic, Balkan, Mediterranean and Eurasian regions; • To adopt and implement a revised Energy Efficiency Action Plan and promote a substantial programme in resource efficiency (supporting SMEs as well as households) by making use of structural and other funds to leverage new financing through existing highly successful models of innovative investment schemes; this should promote changes in consumption and production patterns

SEE Operational Programme 2007-2013	EU Strategy for the Danube Region (Action Plan)			EU 2020 strategy
AoI	Priority Areas	Actions	Projects	Flagship initiatives (selected actions)
Priority Axis 3 Improvement of the accessibility	Pillar A) Connecting the Danube Region			
AoI 3.1 Improve co-ordination in promoting, planning and operation for primary & secondary transportation networks	PA 1) To improve mobility and multimodality	• To complete the implementation of TEN-T Priority Project 18 on time and in an environmentally sustainable way • To improve the infrastructure in the Danube basin and the economic performance of waterway navigation (3 actions) • To improve the organisational framework and human resources for inland waterway navigation in the Danube Region (5 actions) • To improve access to and connectivity throughout the region (4 actions) • Ensure sustainable metropolitan transport systems and mobility (e.g. through ICT applications) • Improve the regional/local cross-border infrastructure and the access to rural areas • Develop Intelligent Traffic Systems by using environmental-friendly technologies, especially in urban regions • To support Danube Commission in finalizing the process of reviewing the Belgrade Convention	• To build the Danube-Bucharest Canal • NELI • Remove shipwrecks, bridges debris and unexploded weapons from the riverbed of the Danube • To create river-bus and other connections between urban centres along the Danube (Danube Express Project) • WANDA • PLATINA • NEWADA • SoNorA • To extend public transport lines • EDITS • To construct two new bridges over the Danube	• To ensure a coordinated implementation of infrastructure projects, within the EU Core network, that critically contribute to the effectiveness of the overall EU transport system • To focus on the urban dimension of transport where much of the congestion and emissions are generated
AoI 3.2 Develop strategies to tackle the "digital divide"	PA 7) To develop the knowledge society through research, education and information technologies	• To develop and implement strategies to improve the provision and uptake of Information and Communication Technologies in the Danube region • To build upon the existing projects to promote the Information society in lagging or	• To promote the availability of e-health services across the Region	• To promote internet access and take-up by all European citizens, especially through actions in support of digital literacy and accessibility. • To promote deployment and usage of modern accessible online services (e.g. e-government, online health, smart home, digital skills, security).

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SEE Operational Programme 2007-2013	EU Strategy for the Danube Region (Action Plan)			EU 2020 strategy
AoI	Priority Areas	Actions	Projects	Flagship initiatives (selected actions)
		in rural areas • To build upon the existing projects to promote the Information Society for SMEs • To provide ICT based training for the general public, especially for prioritized target groups such as low-income, elderly or disabled • To draw up internet strategies • To use e-content to improve the efficiency and effectiveness of public and private services • To promote the availability of e-Government services across the region		• To establish a legal framework for co-ordinating public works to reduce costs of network rollout • To draw up operational high speed internet strategies, and target public funding, including structural funds, on areas not fully served by private investments
AoI 3.3 Improve framework conditions for multi-modal platforms	PA 1) To improve mobility and multimodality	• Develop nodal planning for multimodality • To ensure multimodal links throughout the region (2 actions) • To promote sustainable freight transport in the Danube Region • To build on the IRIS Europe project – support the co-ordinated implementation of River Information (RIS) in Europe • To implement the Rail Freight Corridors forming part of the European rail network for competitive freight	• To develop floating containers • To create an approach and a web platform to provide complete real-time information concerning Danube navigation and connections with all modes of transport • To develop container transport on the Danube • To implement SESAR, the technological part of the Single European Sky, in the Danube region	

SEE Operational Programme 2007-2013	EU Strategy for the Danube Region (Action Plan)			EU 2020 strategy
AoI	**Priority Areas**	**Actions**	**Projects**	**Flagship initiatives (selected actions)**
Priority Axis 4 Development of transnational synergies for sustainable growth areas	**Pillar D) Strengthening the Danube Region**			
AoI 4.1 Tackle crucial problems affecting metropolitan areas and regional systems of settlements	PA 10) To step up institutional capacity and cooperation	• Improve multilevel cooperative structures • To combat institutional capacity and public service related problems in the Danube region (3 actions)	• Improving the quality of public services • E-government practice • Proactive policy planning • Green urban technologies • Common guidelines for improving spatial planning • Transfer knowledge and enhance urban technologies and strategies • Support the development of local financial instruments • Examine the feasibility of a Danube Investment Framework • To increase knowledge of public finance management	• To promote shared collective and individual responsibility in combating poverty and social exclusion • To design and implement programmes to promote social innovation for the most vulnerable, in particular by providing innovative education, training, and employment opportunities for deprived communities, to fight discrimination (e.g. disabled), and to develop a new agenda for migrants' integration to enable them to take full advantage of their potential; • To define and implement measures addressing the specific circumstances of groups at particular risk (such as one-parent families, elderly women, minorities, Roma, people with a disability and the homeless) • To fully deploy their social security and pension systems to ensure adequate income support and access to health care.
AoI 4.2 Promote a balanced pattern of attractive and accessible growth areas	PA 10) To step up institutional capacity and cooperation	• To facilitate the administrative cooperation of communities living in border regions • To ensure sufficient information flow and exchange at all levels (3 actions) • To review bottlenecks relating to the low absorption rate of EU funds and to ensure better coordination of funding	• Building Metropolitan Regions in the Danube Region	

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SEE Operational Programme 2007-2013	EU Strategy for the Danube Region (Action Plan)			EU 2020 strategy
AoI	Priority Areas	Actions	Projects	Flagship initiatives (selected actions)
AoI 4.3 Promote the use of cultural values for development	PA 3) To promote culture and tourism, people to people contacts	• To enhance cooperation and contacts between people of different origins, to encourage creativity, and provide a driving force for cultural innovation and economic development, based on heritage, traditions and tourism • To build on cultural diversity as strength of the Danube region (9 actions) • To develop the Danube region as a European brand • To establish the Danube Region as important European tourist destination • To improve planning and infrastructure for tourism • To promote sustainable tourism • To further develop the navigation and port system for Danube river cruise ships and private yachts • To promote health and wellness tourism in the Region • To further develop and intensify Activity Tourism • To further enhance interconnection and cooperation in education and scientific and research activities for tourism • To support the improvement of the quality of tourism products • To promote cultural exchange and exchange in the arts • To collect existing data on cultural activities and establishing a comprehensive data base giving an overview of cultural activities in the	• To strengthen the Danube regional potential through cultural cooperation • To conclude the IRPP / SAAH project in the context of the Ljubljana Process • To develop the Balkan Incentive Fund for Culture • To further support actions for specific demographic groups, e.g. Danube-Networkers • To strengthen centres for tolerance and reconciliation • To create transnational tourist packages e.g. for combined rail-cycle-boat trips along the Danube • To improve sustainable mobility through traffic and interconnectivity of train, bus and shipping in the Danube countries • To implement the Cultural route Danube • To realise the Danube walking path, proposed by the Danube Tourism Commission • To improve cruise tourism on the Danube • To support green ways and cycle tourism • To support health and wellness facilities, improvement and marketing • To develop a Quality label for Danube Tourism • To monitor tourism in emerging destinations / sensitive areas, especially the Danube Delta • To implement a Danube Media Network • To further develop the Danube Theatre Festival • To promote the Danube Limes as an	

SEE Operational Programme 2007-2013	EU Strategy for the Danube Region (Action Plan)			EU 2020 strategy
AoI	Priority Areas	Actions	Projects	Flagship initiatives (selected actions)
		Danube Region	UNESCO world heritage. Proposed by the Danube Commission • To ensure the restoration and maintenance of the sites of historical and cultural importance, conservation and protection of both tangible and non-tangible cultural heritage and providing access to common cultural heritage • To hold and organise an annual Danube Culture and Tourism Day in different places of the Danube basin (..) • To implement the Cultural Danube Card (..)	

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Annex 2: List of strategic themes and 2nd call impact

Area of Intervention	Proposed Strategic Themes	Has the theme being affected by the proposals approved during the 2nd call?
1.2	No 1. Policy Learning Mechanisms in Support of Cluster Development (already elaborated by JTS, related to AoI 1.2)	Not affected.
1.2	No 2. Promoting innovation in services with particular view to fostering creative industries (additional strategic theme related to AoI 1.2)	Not affected.
1.2	No 3. Promoting advanced business and technology support services by specific institutions for enterprises and groups of enterprises (additional strategic theme related to AoI 1.2)	Not affected.
1.3	No 4. Establish Regional Platforms for Innovation policy development and learning at a broader basis in SEE (additional strategic theme related to AoI 1.3)	Partly covered by the project Finno, which seeks to create a communication platform for decision makers in the field of innovation policies. However, the strategic theme has a much broader approach and therefore should be retained.
1.3	No 5. Foster Entrepreneurial Learning (additional strategic theme related to AoI 1.3)	Not affected.
1.3	No 6. Strengthening the uptake of innovative technologies and services through public procurement (additional strategic theme related to AoI 1.3)	Not affected.
1.3	No 7. Foster Public Innovation (additional strategic theme related to AoI 1.3)	Not affected.
2.2	No 8. Climate Change adaptation (already elaborated by JTS, related to AoI 2.2)	Not affected.
2.1/2.2	No 9. Warning and civil protection systems (additional strategic theme related to AoI 2.1/2.2)	In principle not affected. SEE Mariner addresses monitoring of waterborne transport goods. Future projects should not deal with his specific issues.
2.2	No 10. Risks in hot spots and urban zones (additional strategic theme related to AoI 2.2 and as Cross Cutting Issue in relation to P.A.4)	Not affected.
2.4	No 11. SEE resources consumption" foresights (additional strategic theme related to AoI 2.4 and as Cross Cutting Issue in relation to P.A.4)	Not affected.
2.4	No 12. Energy and resource efficient transport (additional strategic theme related to AoI 2.4)	Not affected.
2.4	No 13. Support for development and marketing of renewable energy (additional strategic theme related to AoI 2.4)	Theme partially addressed by M2RES. However it should be retained.
3.1	No 14. Network of Hubs Cities for increased people mobility in the SEE region (already elaborated by JTS, related to AoI 3.1)	Not affected.
3.1	No 15. High quality (capacity, reliability, speed) freight network in SEE (focus on rail) (additional strategic theme related to AoI 3.1)	Theme partially addressed by SETA. However it should be retained.

3.1	No 16. Coordination of upgrade and investments of coastal ports and hinterland infrastructure (transnational port development strategy) (additional strategic theme related to AoI 3.1)	Theme partially addressed by DaHar but with focus on Danube. However it should be retained.
3.1	No 17. Monitoring of studies and development plans (update of decision bases) (additional strategic theme related to AoI 3.1)	Not affected.
3.1	No 18. Transport infrastructure investments and cohesion (additional strategic theme related to AoI 3.1 and as Cross Cutting Issue in relation to P.A.4)	Not affected.
3.2	No 19. Alternative" provision of ICT access (via universities and regional and local administration) (additional strategic theme related to AoI 3.2)	Not affected.
3.3	No 20. Access to intermodal freight made easier (already elaborated by JTS, related to AoI 3.3)	Theme partially addressed by SETA and DaHar. Many more specific aspects could be covered. It should be retained.
3.3	No 21. Customs procedures acceleration (additional strategic theme related to AoI 3.3)	Not affected.
3.3	No 22. Traffic flow monitoring (passengers, freight, service providers) (additional strategic theme related to AoI 3.3)	Not affected.
4.1	No 23. Managing Demographic Change in SEE - Migration and Human Capital as key for sustainable economic grow (already elaborated by JTS, related to AoI 4.1)	Not affected.
4.1	No 24. Foster competence and transparency in Urban Planning by a broad approach in SEE cities (related to AoI 4.1)	Not affected.
4.1	No 25. Promote a new generation of PPPs for better delivery of public goods and services in non-metropolitan areas (related to AoI 4.1)	Not affected.
4.1	No 26. Enhance competences for Green Urban Technologies (GUT) in SEE cities (related to AoI 4.1)	Not affected.
4.1	No 27. To fight social exclusion of Roma population in the SEE area (related to AoI 4.1)	Not affected.
4.2	No 28. Building Metropolitan Regions in the SEE area (related to AoI 4.2)	Not affected.
4.2	No 29. Strengthen integrated planning approaches to contribute to a resource efficient urban development in South East Europe (related to AoI 4.2)	Not affected.

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