

Broj 01-60/2

**FINANCING AGREEMENT** Podgorica, 7. 02. 2017 god.  
**for the Programme Interreg V-B Danube –**

**CCI 2014TC16M6TN001**

**SPECIAL CONDITIONS**

The European Commission, hereinafter referred to as "**the Commission**", acting on behalf of the European Union, hereinafter referred to as "**the Union**",

of the one part,

**Montenegro**, hereinafter referred to as "**IPA II beneficiary**", represented by the Government of Montenegro,

of the other part, and

**Hungary** represented by the Ministry of National Economy, Managing Authority of the 'Interreg V-B Danube' transnational cooperation programme,

of the third part,

have agreed as follows:

**Article 1 - The Programme**

(1) The Union agrees to finance and Montenegro agrees to accept the financing of the following transnational cooperation programme as set out in Annex I and approved by Commission Implementing Decision C(2015)5953 of 20 August 2015 :

'Interreg V-B Danube'  
CCI: 2014TC16M6TN001  
hereinafter referred to as 'the Programme.

(2) The Programme is financed from the Union Budget under the following basic acts:

Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and



the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006<sup>1</sup> (the Common Provisions Regulation, 'CPR') and of acts adopted thereupon;

Regulation (EU) No 1299/2013 of the European Parliament and of the Council of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal<sup>2</sup> ('the ETC Regulation') and of acts adopted thereupon;

Article 9(3) of Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II)<sup>3</sup> ('the IPA II Regulation', 'IPA II');

- (3) The total estimated cost of the Programme is EUR 262 989 839, and the maximum Union contribution under IPA II to the Programme is set at EUR 19 829 192 as contribution from Heading 4.

The Union contribution shall be split in yearly commitments in accordance with Annex I to this Financing Agreement. Nothing in this Financing Agreement can be interpreted as implying a financial commitment of the Union in relation to credits which have not yet been approved by adoption of the EU budget. The Commission shall inform in writing the managing authority about the adoption of each yearly financial commitment indicated in Annex II.

The Programme requires financial contributions from both the IPA II beneficiary and the Union. The breakdown of the respective financial contributions is set out in Annex III.

## **Article 2 - Execution period and eligibility period**

- (1) The execution period of this Financing Agreement shall commence on the entry into force of this Financing Agreement and end 12 years after this date.
- (2) In Montenegro expenditure shall be eligible for a contribution from the ERDF assistance<sup>4</sup> if it has been incurred by a beneficiary and paid between 1 January 2014 and 31 December 2023.

## **Article 3 - Interpretation**

- (1) The provisions of this Agreement and its Annexes shall be interpreted as supplementing and completing the provisions of the regulatory framework provided for under Article 1.
- (2) Where contradictions exist between the provisions in the Special Conditions of this Agreement and in its Annexes, and in particular the provisions in Annex IV (the "General Conditions"), the provisions contained in the Special Conditions of this Agreement shall prevail.

<sup>1</sup> OJ L 347, 20.12.2013, p. 320.

<sup>2</sup> OJ L 347, 20.12.2013, p. 259.

<sup>3</sup> OJ L 77, 15.03.2014, p. 11.

<sup>4</sup> See definition in point (i) of Article 1(1) of Annex IV to this Financing Agreement: 'ERDF assistance' means the Union support to the Programme from budget lines under the European Regional Development Fund, both the contribution from budget Heading 1b (Economic, social and territorial cohesion) and the contribution from budget Heading 4 (Global Europe) (IPA II).

Where contradictions exist between the provisions of this Agreement and the provisions of the basic acts listed in Article 1(2) or of acts adopted thereupon, the provisions contained in the regulatory framework shall prevail and this Agreement shall be amended or corrected in accordance with Article 73 of the General Conditions.

- (3) Subject to any explicit provision to the contrary in this Agreement, the terms used in this Agreement shall bear the same meaning as attributed to them in the basic acts listed in Article 1(2).
- (4) Subject to any explicit provision to the contrary in this Agreement, references to this Agreement are references to such Agreement as amended, supplemented or replaced from time to time.
- (5) Any references made in this Agreement and its Annexes to European Union instruments are references to such instruments as amended, supplemented or replaced from time to time.
- (6) Headings in this Agreement and in its Annexes have no legal significance and do not affect its interpretation.

#### **Article 4 - Partial invalidity and unintentional gaps**

If a provision of this Agreement is or becomes invalid, or if this Agreement contains unintentional *lacunae*'s, this will not affect the validity of the other provisions of this Agreement.

In accordance with Article 73 of the General Conditions, the Parties will replace any invalid provision or fill any unintentional *lacuna* by a valid provision which comes as close as possible to the purpose of, and intent of, the invalid provision.

#### **Article 5 - Addresses and Communication**

All communications concerning the implementation of this Financing Agreement shall be in writing, shall refer expressly to the Programme as identified in Article 1(1) and shall be sent to the following addresses:

**(a) for the Commission**

Directorate General for Regional and Urban Policy  
B- 1049 Brussels – Belgium  
E-mail: [REGIO-TRANSNATIONAL-AND-INTERREGIONAL-COOPERATION@ec.europa.eu](mailto:REGIO-TRANSNATIONAL-AND-INTERREGIONAL-COOPERATION@ec.europa.eu)

**(b) for Montenegro:**

Ministry of Foreign Affairs and European Integration  
Stanka Dragojevića 2, 81000,  
Podgorica, Montenegro  
E-mail: [kabinet@mfa.gov.me](mailto:kabinet@mfa.gov.me)



**(c) for Hungary**

Danube Transnational Programme Managing Authority  
Ministry of National Economy  
József nádor tér 2-4  
1051 Budapest, Hungary  
E-mail: danube@interreg-danube.eu

**Article 6 - Framework Agreement under IPA II**

In accordance with Article 8(6) of the Framework Agreement between the European Commission and Montenegro on the arrangements for implementation of Union financial assistance to Montenegro under the Instrument for Pre-accession Assistance (IPA II) which entered into force on 4 June 2015 (hereafter referred to as “the Framework Agreement”), the rules for implementation of the Programme shall be set out in this Financing Agreement. Consequently the Programme shall be implemented in accordance with the provisions of this Financial Agreement between the European Commission and Montenegro.

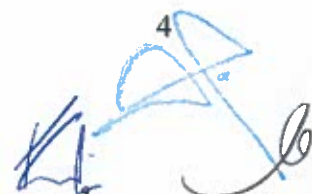
This Financing Agreement shall be supplemented by the provisions of the Framework Agreement, in particular where this Financing Agreement does not contain specific provisions on a given issue.

In case of conflict between, on the one hand, the provisions of this Financing Agreement and, on the other hand, the provisions of the Framework Agreement, this Financing Agreement shall take precedence.

**Article 7 - Annexes**

This Financing Agreement is composed of:

- (a) these Special Conditions;
- (b) the following Annexes which form an integral part thereof:
  - i. Annex I: the 'Interreg V-B Danube' transnational cooperation programme;
  - ii. Annex II: the financial plan (part yearly financial commitments);
  - iii. Annex III: the financial plan (part financial contributions by the Union and the IPA II beneficiaries per priority axis);
  - iv. Annex IV: the General Conditions.

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**Article 8 - Provisions establishing the applicable programme implementation conditions in accordance with Article 26 of the ETC Regulation**

Provisions complementing Annex IV:

- (a) In complementing Article 14 of Annex IV, the participating countries have decided that beneficiaries from IPA II beneficiary cannot be lead beneficiaries, as specified in section 9.4 of the Programme, while all the others rules and responsibilities are applicable on an equal manner to all beneficiaries;
- (b) in complementing Article 15 of Annex IV, the Monitoring Committee, set up by the participating countries in September 2015, define in its Rules of Procedure that officially nominated representatives of the IPA II beneficiary are full members of the Monitoring Committee;
- (c) in complementing Articles 22 and 23 of Annex IV, the national contribution of the IPA II beneficiary to the Technical Assistance budget is established in the Technical Assistance Manual approved by the Monitoring Committee, as well as the yearly deadlines to make it available;
- (d) in complementing Section IV of Annex IV, detailed rules of eligibility are defined in the Technical Assistance Manual, the Control Guidelines and the Programme Manuals approved by the Monitoring Committee;
- (e) in complementing Articles 36 to 41 of Annex IV, the detailed functions of the programme authorities (managing authority, joint secretariat, certifying authority, audit authority) including tasks related to the IPA II beneficiaries are set in Chapter 5 of the Programme;
- (f) in complementing Article 44 of Annex IV, the NIPAC or the concerned operating structure shall nominate the authorities, institutions and representatives of the IPA II beneficiary to the programme (including national contact points, institutions designated to carry out controls, and the members of the Group of Auditors) and make sure that any changes are communicated in due course to the managing authority.

**Article 9 - Provisions supplementing Annex IV**

Provisions supplementing Annex IV:

- (a) In supplementing Article 12(2) of Annex IV, the participating Member States have decided to apply option d);
- (b) in supplementing Article 33(1) of Annex IV, the IPA II beneficiary has opted for the use of the Practical Guide to Contract Procedures for EU External Actions;
- (c) in supplementing Article 34(1) of Annex IV, these Special Conditions shall allow the participation in call for proposals of entities without legal personality;



- (d) in supplementing Article 34(5) of Annex IV, eligibility as defined in that Article is not further restricted with regard to the nationality, geographical location or nature of applicants;
- (e) in supplementing Article 40(1) of Annex IV, the participating Member States and the IPA II beneficiary have authorised the audit authority to carry out directly its functions in the whole of the territory. They have specified when the audit authority is to be accompanied by an auditor of a Member State or an IPA II beneficiary;
- (f) in supplementing Article 41(2) of Annex IV, the IPA II beneficiary has authorised the audit authority to carry out directly the functions provided for in Article 127 of Regulation (EU) No 1303/2013 in the whole of the territory covered by a cooperation programme;
- (g) in supplementing Article 44 of Annex IV, the IPA II beneficiary the national IPA co-ordinator has not delegated its managing role for co-ordinating the participation of Montenegro in the relevant transnational programme;
- (h) in supplementing Article 48 of Annex IV, the co-financing rate and the maximum amount of the ERDF assistance per priority axis, per contribution from budget Heading 1b and per contribution from budget Heading 4 (IPA II) are defined as set out on in Annex III;
- (i) in supplementing Article 56(3) of Annex IV, the method chosen for this Programme is the one referred to in point b) of the first subparagraph of that Article;
- (j) in supplementing Article 67(3) of Annex IV, the participating countries have decided not to recover an amount unduly paid if the amount to be recovered from the beneficiary, not including interest, does not exceed EUR 250 in contribution from the ERDF assistance.

#### **Article 10 - Additional Bilateral agreement**

Hungary and Montenegro have agreed that the detailed arrangements between them do not need to be part of this Financing Agreement on form of a specific Annex, because all issues are sufficiently covered in the Programme, the General and Special Conditions, the 'Applicants Manual', the 'Implementation Manual', the 'Control Guidelines' and the 'Technical Assistance Manual' as approved by the Monitoring Committee.

Those detailed arrangements have laid down in an exhaustive way all rules governing the respective relationship between the managing authority (including the technical secretariat), the certifying authority and the audit authority of the Programme and the respective authorities in the IPA II beneficiary.

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**Article 11 - Entry into force**

This Financing Agreement shall enter into force on the date on which it is signed by the last party.

This Financing Agreement is drawn up in three exemplars in the English language, one being handed to the Commission, one to Montenegro and one to Hungary.

For Montenegro:

Aleksandar Andrija Pejović,  
State Secretary for European Integration and  
National IPA Coordinator  
Ministry of Foreign Affairs and European  
Integration

  
Podgorica, 07.02.2017.

For the Commission:

Marc Lemaître  
Director General  
Directorate-General for Regional and Urban Policy

  
Brussels, 11.12.2016

For Hungary:

Imre Csalagovits  
Danube Transnational Programme Managing Authority  
Ministry of National Economy

  
Budapest, 3.12.2016

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## Cooperation programmes under the European territorial cooperation goal

CCI	2014TC16M6TN001
Title	Danube
Version	2.2
First year	2014
Last year	2020
Eligible from	01-Jan-2014
Eligible until	31-Dec-2023
Major amendment (requiring EC approval - cf. Art. 96 CPR)	✓
Approved by monitoring committee	✓
Justification for amendment	Inclusion of the ENI funds
EC decision number	
EC decision date	
MS amending decision number	15th written procedure
MS amending decision date	10-Feb-2017
MS amending decision entry into force date	10-Feb-2017
NUTS regions covered by the cooperation programme	<p>AT - ÖSTERREICH</p> <p>AT11 - Burgenland (AT)</p> <p>AT12 - Niederösterreich</p> <p>AT13 - Wien</p> <p>AT21 - Kärnten</p> <p>AT22 - Steiermark</p> <p>AT31 - Oberösterreich</p> <p>AT32 - Salzburg</p> <p>AT33 - Tirol</p> <p>AT34 - Vorarlberg</p> <p>BA - BOSNIA AND HERZEGOVINA</p> <p>BG - БЪЛГАРИЯ (BULGARIA)</p> <p>BG31 - Северозападен (Severozapaden)</p> <p>BG32 - Северен централен (Severen tsentralen)</p> <p>BG33 - Североизточен (Severoiztochen)</p> <p>BG34 - Югоизточен (Yugoiztochen)</p> <p>BG41 - Югозападен (Yugozapaden)</p>

BG42 - Южен централен (Yuzhen tsentralen)
CZ - ČESKÁ REPUBLIKA
CZ01 - Praha
CZ02 - Střední Čechy
CZ03 - Jihozápad
CZ04 - Severozápad
CZ05 - Severovýchod
CZ06 - Jihovýchod
CZ07 - Střední Morava
CZ08 - Moravskoslezsko
DE - DEUTSCHLAND
DE1 - BADEN-WÜRTTEMBERG
DE11 - Stuttgart
DE12 - Karlsruhe
DE13 - Freiburg
DE14 - Tübingen
DE2 - BAYERN
DE21 - Oberbayern
DE22 - Niederbayern
DE23 - Oberpfalz
DE24 - Oberfranken
DE25 - Mittelfranken
DE26 - Unterfranken
DE27 - Schwaben
HR - HRVATSKA
HR03 - Jadranska Hrvatska
HR04 - Kontinentalna Hrvatska
HU - MAGYARORSZÁG
HU10 - Közép-Magyarország
HU21 - Közép-Dunántúl
HU22 - Nyugat-Dunántúl
HU23 - Dél-Dunántúl
HU31 - Észak-Magyarország
HU32 - Észak-Alföld
HU33 - Dél-Alföld
MD - Moldova
ME - ЦРНА ГОРА / CRNA GORA
RO - ROMÂNIA
RO11 - Nord-Vest
RO12 - Centru
RO21 - Nord-Est
RO22 - Sud-Est
RO31 - Sud - Muntenia

	RO32 - București - Ilfov RO41 - Sud-Vest Oltenia RO42 - Vest RS - SERBIA SI - SLOVENIJA SI01 - Vzhodna Slovenija SI02 - Zahodna Slovenija SK - SLOVENSKO SK01 - Bratislavský kraj SK02 - Západné Slovensko SK03 - Stredné Slovensko SK04 - Východné Slovensko UA - Ukraine UA01 - Chernivetska Oblast UA02 - Ivano-Frankiviska Oblast UA03 - Zakarpatska Oblast UA04 - Odessa Oblast
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# **1. STRATEGY FOR THE COOPERATION PROGRAMME'S CONTRIBUTION TO THE UNION STRATEGY FOR SMART, SUSTAINABLE AND INCLUSIVE GROWTH AND THE ACHIEVEMENT OF ECONOMIC, SOCIAL AND TERRITORIAL COHESION**

## **1.1 Strategy for the cooperation programme's contribution to the Union strategy for smart, sustainable and inclusive growth and to the achievement of economic, social and territorial cohesion**

1.1.1 Description of the cooperation programme's strategy for contributing to the delivery of the Union strategy for smart, sustainable and inclusive growth and for achieving economic, social and territorial cohesion.

### 1.1.1.1 Role of the cooperation programme

European Territorial Cooperation programmes are intended to complement other European programme strands such as "rural development" or "investment for growth and jobs" programmes which aim to investment in infrastructures, enterprises and people. Cooperation programmes are primarily designed for further territorial integration through enhanced cooperation in specific policy fields. Given its overall budget size, the cooperation programmes cannot target large-scale investment interventions and consequently major economic impact.

The Danube Transnational Programme (DTP) is a financing instrument with a specific scope and an independent decision making body and supports the policy integration in the Danube area in selected fields under the CPR/ERDF regulation linked to the EUSDR strategy. The strategic vision is "policy integration" below the EU-level (not duplicating efforts in policy integration at the EU-level e.g. TEN-T) and above the national level in specific fields of action. Transnational projects should influence national / regional / local policies ("policy driver").

In order to achieve a higher degree of territorial integration of the very heterogeneous Danube region the transnational cooperation programme will act as a policy driver and pioneer to tackle common challenges and needs in specific policy fields where transnational cooperation is expected to deliver good results through the development and practical implementation of policy frameworks, tools and services and concrete pilot investments whereby strong complementarities with the broader EUSDR will be sought.

Needs are related to the issues how to improve institutional frameworks for cooperation, how to improve the quality of policies and their delivery and how to deliver solutions through concrete investments and smart pilot action.

The success of programme implementation will depend on targeted selection of the most relevant interventions and a further increase in the efficiency of administrative procedures and a reduction of the administrative burden for the beneficiaries.

One clear lesson learnt during the period 2007-2013 was, that the number of institutions which are able to take over the function of a lead partner is clearly limited for a variety of reasons. Thus, the programme for the period 2014-2020 has to be developed with a view to cooperation areas in which competent actors and feasible ideas can be expected in sufficient numbers.

The aim is to fully exploit the potentials in supporting a balanced creation of groups, platforms, networks, exchange of good practice fora, as well as joint initiatives, joint actions and joint pilot projects throughout the whole cooperation area.

### SEE programme 2007-2013

The transnational cooperation has a considerable tradition in the Danube area, reaching back to 1996 with the CADSES Programme. This was followed by CADSES II until 2007, when the South-East Europe Programme (SEE) was set up with some geographical adjustments. This can be considered as a direct predecessor of the Danube Transnational Programme.

The SEE aimed to improve integration and competitiveness in an area as complex and diverse as the area of the Danube Transnational Programme. Taking the positive and appreciated experiences as a proof, one can state that it succeeded. They became best practices and will also be considered for the future. One of the earliest examples of success is the decision made to support the maintenance of the integrated management system for IPA II and ENI funds established within SEE.

The SEE involved 16 participating countries, out of which several will not be a part of Danube Transnational Programme but will continue their cooperation in the frame of Adriatic-Ionian programme (Albania, Greece, Italy). In the new period, the German Länder of Baden-Württemberg and Bayern and the Czech Republic will be included.

The SEE addressed four major priority axes: Innovation, Environment, Accessibility and Sustainable Growth. The success of the programme is emphasized by the large number of projects financed – 122, most of them being based on large partnerships of ten or more organizations. This number shows that beyond the complexity of the programme area, there is a strong need and will for cooperation on transnational level in the region. The Danube Transnational Programme shall grasp these cooperation energies and channel them towards the strategic objectives drawn on EU and macro-regional level. The doors knocked by the SEE can be opened by the Danube Transnational Programme through capitalizing the results achieved and the cooperation initialized.

### The Danube Transnational Programme 2014 - 2020

In December 2012, the Commission presented its view on the territorial coverage of the new programmes, including the Danube Transnational Programme comprising 14 countries. In January 2013, an initial discussion was held at the premises of the Commission with the participation of the representatives of the countries involved. During this meeting, the connection between the DTP and the EUSDR, based on interconnectivity and mutual support, was highlighted.

#### 1.1.1.2 Geographical coverage of the programme area

The programme area covers nine Member States (Austria, Bulgaria, Croatia, Czech Republic, Hungary, Germany – Baden-Württemberg and Bayern, Romania, Slovakia and Slovenia) and five non-EU Member States (Bosnia and Herzegovina, Moldova, Montenegro, Serbia and Ukraine – 4 provinces), being composed of 69 NUTS2 regions.

Geographically, the DTP area overlaps with the territory addressed by the EU Strategy for the Danube Region (EUSDR), comprising also the Danube river basin and the mountainous areas (such as the Carpathians, the Balkans and part of the Alps). It is the most international river basin in the world. The area makes up one fifth of the EU's

territory and it is inhabited by approximately 114 million people. The variety of natural environment, the socio-economic differences and cultural diversity of the various parts of the area may be perceived as major challenges but actually represent important opportunities and unexploited potential.

Figure 1. The Danube Transnational Programme territory

See map in Annex 10

#### 1.1.1.3 Key facts of the programme area

##### Economic cohesion of the Danube Region

One of the most visible characteristics of the area is the disproportionate level of economic development. In terms of economic strength, the western part of the area is considerably well ahead the others. The most used indicator in revealing the economic development is the Gross Domestic Product, which for the programme area, if expressed in values per capita, is below the EU28 average (ZEW et al 2014[1]). The analysis of the GDP in the region 2011 shows that the two participating Länder in Germany are producing almost half of the GDP of the entire area. Going deeper with the analysis, the unbalance is even more striking when one compares the EU member states' share in the GDP of the area (88-90%), with the non-Member States' (10%). Nevertheless, the growth rate of GDP in the time period 2003-2012 in the eastern part of the area – approximately 26% - significantly exceeds the growth of the western countries – 16% - which represents a solid basis for an increased cohesion and reduced development gap on macro-regional level.

Furthermore, even if the economies of the region are strongly relying on SMEs, due to the structural difficulties and lack of internationalization of their activities, these are not able to fully exploit the existing potential. To illustrate this, it can be observed that even though the SMEs are producing a quarter of the area's total GDP, this is not fully reflected in the export activities where they have a share of just 10%.

As a key element for growth, the labour markets in the region suffer from the negative consequences of the economic crisis which Europe has experienced starting with 2008. The crisis revealed the structural problems of the region's economies, which left a harsh mark on the labour markets as well, manifested especially in the levels of employment rates. As in many other topics, the picture of the area is not homogenous, the discrepancy being manifested at this level as well. While in the western part of the programme area the employment rates are raging in between 70 and 75%, in the eastern countries the values are below 55% in most of the NUTS2 regions, often on entire country level.

The analysis of the labour markets reveals that heterogeneity is even wider, that the roots of the problems are very diverse on national and even regional level (CESCI Regional Analysis of the Danube Region).. One of the most important problems, at least in the Eastern part of the programme area, is the scale of black labour market, but there are other important obstacles which are hindering the development of this sector, as the level of education, the level of investments and the general business environment. In general, the economically less developed regions are also less urbanized, having an important share of the active workforce employed in agricultural sector and showing a higher level of unemployment.

Figure 2. National and regional disparities in the level of employment in the Danube River Basin



See map in Annex 10

Cooperation on macro-regional level can be an important asset in overcoming the difficulties, and, even if there is no universal solution applicable everywhere, some best practices may be considered, especially related to atypical employment and measures in adapting the educational systems to the market demands.

### Social cohesion of the Danube Region

The Danube region hosts a fascinating diversity of cultures. Despite the frictions of historic origins, this diversity can constitute an important potential for the area, since the social resources embedded in this variety can turn into driving forces which can provide new energies for acting and development. In addition to its ethnic challenges, the region is facing challenges in other fields of social inclusion such as the situation of the different marginalized groups. Their needs have to be addressed at the level of society as a whole, failing to do so posing a serious threat for ensuring the sustainable development of the region.

The dispersion of population within the programme area does not show the same heterogeneity as in case of other economic features. Still, it can be observed that there are concentrations around capital cities and other major economic and cultural cities (e.g. München or Stuttgart) with a concentration of 4,000 per/km<sup>2</sup>, while the minimums in terms of density are registered in mountain areas. On average, the population density ranges between 50 and 250 pers/km<sup>2</sup>.

From a labour market perspective, there are large differences in labour market performance across the Danube region. The gap is particularly wide between the most developed countries in the region and the least developed Accession countries as well as in the Neighbourhood Countries. Participation rates are lower in the latter as well as employment rates, especially for young people.

A significant amount of migration activity can be observed within the Danube region. The migration is national (especially from rural towards urban areas), cross-border (especially from the Eastern countries towards the Western), and external (originating from Asian and African countries).

Most of the countries of the Danube region face population ageing, which puts pressure on the social welfare systems. Besides Ukraine, Slovenia and Serbia, all the other countries are experiencing the phenomenon of aging in different intensities. The highest values are present in Austria, Germany and central parts of Bulgaria where the number of citizens above the age of 65 is approximately twice as much as of those aged under 15. Policies need to be put in place in order to develop the social care system which will face increasing challenges, but emphasis should also be put on improving the conditions of youth population in the rural and economically less developed regions.

Figure 3. Ageing index of the Danube Region on NUTS3 level

See map in Annex 10

### Territorial cohesion

The high administrative fragmentation of the Danube region represents one of the main challenges in terms of territorial cohesion of the area. The demarcation lines of the state borders are imposing different levels of administrative obstacles for entering and moving

within the region, with important consequences on transport, communication and socio-economic cooperation and development. The level of permeability of the state boundaries is largely different: from the practically non-existing borders in between the states from the Schengen Zone, through the borders of the non-Schengen Member States, the borders of the EU-associate countries and of the neighbouring third countries.

The territorial cohesion of the Danube Region is dependent on a polycentric and well-balanced territorial development of the Danube region. The Danube region is characterized by mono centric urban areas without strong cross-border connections. This feature creates the possibility of developing polycentric metropolitan regions, which is already manifesting in many cases through the formation of functional urban areas and strong metropolitan European growth areas. This process is encouraged by the loosening of the borderlines between Member States, but implies in the case of Non-Member States that borders are still standing as barriers at present.

Danube Region is displaying a large variety of bio geographical features, hence a wide range of various living habitats. The variety is caused by the many types of climates existing in the area, consequence of the different landscapes. This makes the macro-region as a whole a very valuable natural environment, with unique characteristics on global level. The value of the natural environment is worldwide recognized, eight UNESCO World Heritage natural sites being designated in the area. Nevertheless, human activity such as agriculture, industry, infrastructure development, regulation and intense water use, threatens its preservation and the sustainable development of the entire area.

The central element of the macro-region is the hydrographic basin of the Danube River. During its length on 2,857 km the river is collecting the waters of 74 tributaries from a surface of 801,463 km<sup>2</sup> with specific and valuable eco-systems. These are also exposed to human intervention, the river habitats being often interrupted by infrastructural facilities for flood protection, hydro-power generation or water supply.

Figure 4. The Danube river and its tributaries

See map in Annex 10

#### 1.1.1.4 Process to identify the transnational cooperation needs

For coordination and decision-making during the activities of programme preparation, a **Programming Committee** was set up in February 2013, being composed of the representatives of the participating countries. Beyond defining the content of the programme, its tasks included also the consultations with the national and international stakeholders in order to elaborate a programme which, while building on the political agenda, best addresses the needs emerging from the potential beneficiaries and target groups. In order to incorporate the practical experiences of the transnational cooperation in the area, a consultation process was initiated with the Joint Technical Secretariat of SEE Programme, as well. Its inputs proved to be valuable in assessing the viability and feasibility of potential field of actions, from practical perspective.

The Programming Committee held several meetings in 2013, concluding some possible focus points for the content of the future programme and agreeing about the institutional structure for the management. In July 2013, in Bucharest, it was underlined that special attention and consideration should be given to the institutional cooperation, to innovation and research, environment and efficient use of resources, to transport, to the challenges represented by the climate change processes, to stimulating the reduction of carbon emissions and to education. Nonetheless, a final decision has not been taken regarding

the priorities the programme shall support. Further discussions and analysis in order to reach an efficient and focused intervention of the programme were conducted during the following meetings held in 2013 in Belgrade, Stuttgart and Zagreb, and 2014 in Ljubljana, Budapest, Split and Brussels,

In order to ensure a comprehensive process of identification of the transnational challenges and needs in the Danube Region, a complex system of instruments was used including a **Territorial Analysis of the area, inputs based on SEE Programme experience, and public consultations**. All these were integrated in a two steps process coordinated by the Programming Committee, which resulted in the definition of the most stringent challenges and needs the Danube Transnational Programme shall address.

As a first step, in order to have a solid basis for the decisions regarding the priorities of the programme, the future Managing Authority contracted external experts to prepare a comprehensive **Territorial Analysis**. The document was prepared during the autumn of 2013 and first half of 2014, its findings and conclusions being the basis for drafting the content of the programme.

The analysis is a comprehensive screening of the programme area including territorial, economic and social aspects without an orientation related to the thematic objectives defined by the Common Provision Regulation (CPR). The challenges identified by the analysis were an important element in the decision making process of the Programming Committee regarding the relevant thematic objectives and intervention priorities the programme should address. Furthermore, the findings of the territorial analysis were complemented by the experiences accumulated through the previous programming period by the South East Europe Programme. These provided an important input regarding the practical aspects of transnational cooperation throughout the programme area. Based on these elements, during the Programming Committee meeting held in Ljubljana in March 2014, an agreement was made on the list of thematic objectives the Danube Transnational Programme shall focus upon, which included TO1, TO6, TO7 and TO11.

In a second step, in order to have a solid basis for the final selection of investment priorities and the definition of the specific objectives, the pre-selected investment priorities were consequently further refined and detailed by an external team of experts in charge with the elaboration of the cooperation programme. The challenges identified in the Territorial Analysis performed by CESCO were approached from the perspective of the possibilities offered by the Danube Transnational Programme. Those elements which were found compatible were considered and further investigated in order to determine the fields where the highest transnational impact can be achieved.

The development of programme interventions included a comprehensive **public consultation procedure** which provided the opportunity for interested stakeholders to actively contribute to the elaboration of the Cooperation Programme.

This in depth and complex analysis of the transnational challenges and needs of the given priorities allowed the Programming Committee to identify the elements on which the programme support shall focus, these being the basis for the formulation of the specific objectives, the results and actions.

#### General policy framework

The Danube Transnational Programme was developed taking into consideration the broad policy framework channelling the development efforts on macro-regional, national

and regional levels. The drafting process was primarily conducted along the goals and priorities identified within multi thematic strategies on EU and macro-regional levels.

The **Europe 2020 Strategy**, as an instrument to coordinate the national and EU level policies in order to generate and maintain development on EU level, is focusing on the three pillars of the concept of growth: smart, sustainable and inclusive. The mechanism needed for achieving the above-mentioned goals includes the National Reform Programmes which are containing the objectives on national level in pursuit of the EU 2020 objectives.

The **Territorial Agenda of the European Union 2020** - Towards an Inclusive, Smart and Sustainable Europe of Diverse Regions (TA2020) is to provide strategic orientations for territorial development, fostering integration of territorial dimension within different policies at all governance levels and to ensure implementation of the Europe 2020 Strategy according to territorial cohesion principles.

The **European Union Strategy for Danube Region (EUSDR)** intends to develop coordinated policies and actions in the area of the river basin, reinforcing the commitments of Europe 2020 strategy towards the smart, sustainable and inclusive growth based on four pillars and eleven priority areas. These shall tackle key issues as mobility, energy, biodiversity, socio-economic development or safety. In line with the goals of territorial cooperation objective, the Strategy is not focusing on funding, but rather on enhancing closer cooperation within the concerned territory. A key element of the strategy is coordination, by encouraging the increase in the level and quality of network activities, strengthening the existing regional and interregional cooperation but also fostering new cooperation.

The **South-East Europe 2020 Strategy (SEE 2020)** was launched by the participating countries in 2011, as recognition that close cooperation can accelerate the attainment of goals in key sectors. Inspired by Europe 2020 Strategy the SEE 2020 is pursuing similar objectives taking into account the regional specificities. The document provides important strategic guidance for the non Member States from Western Balkans, in achieving a higher degree of convergence with the goals of EU2020.

Additionally, thematic policy frameworks were reflected in order to best address the needs in given sectors and the design of the programme took into consideration the goals identified in specific thematic fields. The list of these strategic documents and policy frameworks includes:

- EU Water Framework Directive (2000)
- TEN-T Connecting Europe
- EU Biodiversity strategy (2011)
- Prioritized Action Frameworks for NATURA2000
- EU 7th Environmental Action Programme
- EU Climate and energy package
- Energy efficiency plans / SET plans
- SME Small Business Act

- EU Smart Specialisation Platform
- The Danube Innovation Partnership
- European Research Area, Strategic Research Agendas developed under the Joint Programming Initiatives
- Western Balkan R&D Strategy for Innovation – WISE (drafted with World Bank / RCC to monitor progress)

#### 1.1.1.5 Research & innovation

##### Characteristics

The research and innovation sector is of special importance for the region since it can create the added value needed in order to overcome the relative economic backwardness of the region as a whole, and it can provide the answers needed for the new societal challenges the area has to face, as demographic changes or migration. The field shows important disparities on Danube Region level, both in terms of its resources allocated but also in its structures and human resources available. While the western part of the area is on a level of development comparable with the most advanced European countries, the eastern part is seriously lagging behind. This situation is revealed by the Innovation Union Scoreboard 2014, which classify Bayern and Baden-Württemberg Länder of Germany as being Innovation Leaders on Union level, while the biggest part of the area is belonging to the Modest Innovators group.

Figure 5. Innovation Union Scoreboard 2014

See map in Annex 10

The uneven distribution of research and innovation capital is mainly due to the different framework conditions the sector is facing throughout the region. The wide range of financial allocations and policies governing the research sector are determining the institutional capacities of the actors involved, leading to different levels of performance. The total intermural expenditure on research and development in 2011 was ranging between 600 and 1000 Euro in Germany and Austria, while with the exception of Czech Republic and Slovakia, they were not reaching 150 Euro. The share of the GDP rates allocated to this sector on regional level, according to 2010 data, the only regions where the Europe 2020 target of 3% was achieved were located in Germany and Austria. While the countries from the central part of the programmer area are allocating in between 1 and 2% to R&D on regional level, the situation in the southern and eastern part of the region is much worse, with an overwhelming majority of values less than 0.5%.

These disparities may be addressed by an increased level of interconnectivity among the actors active in the sector, creating the conditions to better use the potential existing in the less developed regions. Transnational level strategies in the field of innovation and better exploitation of smart specialization principles can boost the research and innovation performance of the region, by better coordinating the capacities, create synergies and use of complementarities. Moreover, the increased flow of knowledge and information through transnational channels may generate positive results in terms of strengthening the institutional cooperation and in elaborating governance instruments in order to foster these activities.

The intensity of the transfer of knowledge from the scientific sector towards the exploiters displays the same heterogeneity on macro-regional level. In most of the regions there are serious difficulties in transforming the scientific results into commercial success, mainly due to the poor cross-linkages among the scientific centers, public authorities and SMEs. This phenomenon represents a serious challenge for the region's competitiveness, since innovation has a proven positive effect on the development and performance of SMEs, leading in the same time to employment growth and better quality jobs. Transnational cooperation can contribute to better dissemination of knowledge and scientific results and it can strengthen the capacity of SMEs to take an active role in generating innovation or exploiting the results of the academic sector. Moreover, by improving their level of internationalization, the transnational actions may create important dissemination networks which will further improve their performance and will contribute to the reduction of the intra-regional disparities.

In order to foster the sustainable and inclusive growth of the programme area, other aspects of innovation should be addressed, such as eco-innovation and social innovation. The complexity of the geographical area asks for new approaches in terms of environmental technologies helping to create green jobs and provide sustainable progress for the area. Given the fact that the majority of the countries in the region are importing the necessary energy, the volatility of the global energy market, and not the least the environmental impact of energy production on the climate change, efforts are needed in order to improve energy efficiency. Transnational initiatives in this sense may result in tailor-made solutions applicable in the context of Danube Region, taking into account the particular characteristics of the area.

The development of research and innovation sector is based on the human resource involved in the processes. Statistics show a low level of employment in knowledge-intensive sectors on macro-regional level with a need to increase the skills and competences in order to support the use and dissemination of the results of innovation. Moreover, due to the situation of the labour markets, exploitation of the possibilities given by developing entrepreneurial culture, with special focus on innovative sectors, may provide a valuable support in developing the innovation potential of the region. In this sense, transnational cooperation can play an important role in adapting the innovative learning systems and by this, in increasing the adaptability of labour force to technological progress.

Moreover, the Danube region has to tackle important societal problems deriving from the complexity and specificities of the region. The traditional approaches are not always able to address these properly and thoroughly, therefore in many aspects they should be tackled through new methods, policies and instruments developed by using **social innovation** tools. The standard intervention models are having a limited impact, especially in the countries facing economic difficulties, that's why new, innovative methods may help solving them by involving the relevant groups of society in dealing with the problems.

In the period 2014-2020 the EU R&I policies are based on smart specialisation approach and many countries developed Research and Innovation Strategies for Smart Specialisation (S3). The challenges following the development of the S3 strategies are the lack of experiences in implementing S3 by the regional/national authorities and limited inter-regional and trans-national collaboration in similar S3 priority areas across the macro-regions.



The Danube macro-region countries/regions feature different levels of innovation performance. Therefore, challenges of smart, sustainable and inclusive growth and competitiveness in the Danube macro-region shall be addressed through a coordinated set of activities integrated through the S3 concept which could contribute to identifying the competitive R&I priorities and the right policy mix to achieve them in full coherence with the vision, strategic positioning and the S3 strategies of the Danube countries/regions. Addressing these challenges through the S3 concept could cater for more effective coordination between different stakeholders in the process of multilevel governance and hence facilitate implementation of the well-defined competitive innovation policies in the macro-region.

Following smart specialisation approach in transnational collaboration, the Danube regions/countries can reach unique combinations of complementary skills, exploit their competences in R&I, get necessary research capacities, overcome lack of critical mass as well as fragmentation and better access the global value chains. Transnational approach in support of smart specialisation through mutual learning also reinforces the implementation of S3 and advances generation of transnational S3 collaboration projects in vertical priority areas and horizontal R&I related issues.

#### Challenges and need for cooperation

- There is an insufficient transnational cooperation and coordination on institutional level which needs to be improved in order to fully enhance the research and innovation potentials of the region while reducing spatial disparities
- The creation of a stimulating environment for research and innovation activities is dependent on promoting adequate policies which are not in place in many parts of the region
- The modest flow of information and knowledge between regions of the programme area is enlarging the differences in research and innovation activities, therefore efforts should be made to create functional and efficient communication channels
- The SMEs capability to adapt to innovation needs to be supported by strengthening the transfer of information and encouraging the quadruple helix approach also in the domain of eco-innovation
- There is a need to develop skills and competences in order to make possible the generation and use of the results of research and innovation activities, and their transfer into economy to tackle societal challenges

#### 1.1.1.6 Cultural heritage & tourism

##### Characteristics

Besides the fascinating biodiversity of the region, the Danube Transnational Programme area represents one of the richest regions in Europe in terms of variety of cultures. The incredible diversity of ethnic groups (nearly 30) with their own languages, religions, architectures and traditions put an individual print on the area. It can be observed that in most of the cases the value of the cultural heritage was acknowledged and there is a large number of sites put under protection. This is proven by the number of world heritage sites which can be found in the Danube region. There are 65 world heritage cultural sites in the area, which are supplemented by 8 natural heritage sites, altogether creating a very attractive destination for tourism, including eco-tourism. Nevertheless, in order to

properly valorise these assets through tourism, efforts are needed for improving the management of the sites both in terms of preservation of natural assets and in development of sustainable methods of exploitation. A policy framework for coordination of such actions to promote the Danube Region as a tourist destination is still lacking. Also there are big disparities between the countries in terms of accommodation capacity and attractiveness. According to CESCO analysis Austria is leading with above 12,000 guests per night/1,000 population, Croatia is following with 8,000 while Slovenia is above 4,000 like the Czech Republic and Germany. Hungary, Slovakia, Bulgaria show around 2,000 guests per night/1,000 population. Romania exploits its touristic potential to the smallest extent, being below 2,000 guests per night/1,000 population.

Figure 6. World heritage sites in the Danube Region

See map in Annex 10

The cultural diversity can represent a high potential for development, the coexistence of numerous ethnic, language and religious groups creating the premises for easier communication and more intensive cooperation. This historical cultural diversity is even more strengthened by the large number of more recent immigrants concentrated mainly around major cities of the region. They contribute to the cultural identity of the region, having an important influence of its development for the future. The specific milieu of multiculturalism represents a source for developing the cultural creativity and to boost the creative industries, which can lead to more and better jobs both in culture-related fields and in tourism as well, thus increasing the attractiveness of the region.

#### Challenges and needs for cooperation

- There is a need in for increasing the governance and coordination capacities for the preservation and valorisation of the cultural and natural resources
- There is a need to promote Danube as the linkage of different touristic products increasing the touristic significance of the entire region
- There is a need to protect the vivid landscape of regional cultural assets and to underpin their linkages as tools for cooperation and the development of an identity for the Danube Region.

#### 1.1.1.7 Ecosystems & biodiversity

##### Characteristics

The Danube Region with its lowlands and mountains is a unique ecosystem, consisting of a large number of bio geographical regions with their specific habitats and with peculiar landscapes and geological formations. Recognizing their importance, the countries from the region designated large areas for preservation of this richness. There are 70 national parks and more than 1,000 NATURA 2000 areas, covering a large spectrum of natural values. International cooperation may create the platform to support the preservation of nature and biodiversity and for creating the conditions of sustainable economic valorisation of these natural values, both on governance and on practical action level.

Figure 7. Protected areas in the Danube Region

See map in Annex 10

The development of the region and the increasing human interventions created pressure on land usage and resulted in a high fragmentation of landscapes, mainly because of the establishment of transport networks, changes in the land use, logging and fires. This process had a bad influence on the biodiversity, since it created large artificial areas which are almost unusable from the aspects of ecosystems. Besides the negative effects of increasing the artificial areas, the fragmentation reduced considerably the territories with coherent ecological relations, the natural habitats being in some cases severely affected. Transnational actions can provide the framework for developing relevant policies oriented towards sustaining a functional ecological network. The intensive use and development of green infrastructures together with increased and coordinated capacity of water and nature protection management can represent efficient tools in this direction.

Figure 8. Landscape fragmentation in the Danube Region

See map in Annex 10

#### Challenges and needs for cooperation

- The high level of fragmentation of bio-geographical areas and natural habitats need to be reduced and coherent transnational ecological corridors should be created and preserved
- The means of sustainable valorisation of the natural preservation areas through green infrastructures need to be identified and put into practice on transnational level.

#### 1.1.1.8 Climate change & risk management

##### Characteristics

Deriving from the river which is acting as a catalyst of the area, a central element of international cooperation within the Danube Region is the water management. Based on the Water Framework Directive, the Danube River Basin Management Plan (DRBMP) defines the general objectives for the protection and enhancement of river basin and the sustainable and long-term use of water resources. Within this framework, countries are preparing their River Basin Management Plans developing tools of monitoring and measures of improving the water quality and the ecological balance. In order to maximize their effect, there is need for cooperation at international level among the countries involved. Transnational initiatives may support this activity, as well as future development of DRBMP.

Due to its geographical profile, the Danube area is exposed to floods, often of impressive scale and frequency. Statistically, Romania is the most affected country by this phenomenon with the highest number of regions with more than nine major flood events taken place in between 1998 and 2009. Hungary, Slovakia and Serbia may also be considered as countries with important exposure to a high number of major floods, while Slovenia and Montenegro are the safest from this point of view. The actions during this type of extreme conditions need to be coordinated, since in most of the cases their character is international. Transnational actions can serve as an instrument for enhancing the precision of forecasting, the preparedness and capacity for intervention in a coordinated way.

Figure 9. Occurrence of major floods in the Danube Region

See map in Annex 10

Beyond floods and exposure of water resources to polluting elements, other risk factors are endangering the human and natural habitats of the region, such as industrial accidents, fires or droughts. Not the least, a very relevant phenomenon is the climate change, which increases the occurrence of the previously mentioned risks, imposing a threat on the entire region. The highest vulnerability in connection to climate change and its negative consequences is faced by the eastern part of the programme area, while the situation is much better in the western part (especially Germany) where studies are predicting that the climate change will have no or marginal impact on the general environment.

Transnational initiatives can generate coordinated policies and operational capacities for international reaction in case of occurrence of different types of risks. The climate change adaptation abilities already developed in some parts of the region, can serve as best practices for the rest of the area. By transferring this knowledge the governance capacity of the area in the fields related to environmental risks can be considerably enhanced.

Figure 10. Vulnerability to the climate change in the Danube Region

See map in Annex 10

Challenges and needs for cooperation

- There is a need for international coordination of policies related to water management within the framework of DRBMP, since water represents an essential resource of the region
- Efficient, transnational disaster management systems need be created in order to develop the intervention capacity and limit the damages of the occurring risks
- There is a need to develop transnational strategies and action plans in order to manage the challenges represented by climate change.

#### 1.1.1.9 Transport & mobility

Characteristics

Due to its geographical position, the Danube area represents an important transport corridor both on North-South and on East-West axis. Deriving from it, there is a considerable density of TEN-T Multimodal Core Network designated, being on different stages of physical implementation: Scandinavian-Mediterranean (Corridor 1), Baltic-Adriatic (Corridor 4), Orient-East Med (Corridor 5), Rhine-Danube (Corridor 8), and Mediterranean (Corridor 9). The full realization of it is supported mainly through Connecting Europe Facility (CEF), and its operability will create a high-performing infrastructure for intra-regional and external mobility. However, besides the major pathways, the Danube Region faces important accessibility problems especially for the areas situated outside the designated corridors. The connectivity of these regions to the TEN-T networks through the secondary and tertiary nodes is of special importance for ensuring the conditions for growth in the area. Nevertheless, in order to ensure proper viability and efficiency, this process shall be integrated and coordinated on macro-regional level. Since such coordinating mechanisms do not yet exist, the Danube Transnational Programme may assist in creating a common strategy on transport in the area.

As speed and efficiency of freight movements is a key success factor for global competitiveness, special attention should be paid for development of viable logistic chains within the macro-region. The lack of fully multimodal networks (road, rail, air, water transport) represents an important weakness which should be addressed. Besides the quality and quantity of the infrastructural element, connectivity and mobility can be also increased by improving the strategic transport management, such as coordination among services, intermodal connected systems by existing transport facilities, addressing issues related to safety of transport or overcoming the discontinuity across borders. These can further eliminate bottlenecks in the region's network and help in exploiting its potential in terms of mobility. Efficient results in this sense can be best achieved within transnational approaches.

Transport is a major field of interference between human activity and biodiversity, since transportation may induce physical fragmentation of natural environments and habitats, but it also represents a serious source of air or noise pollution. One of the most distinctive features of the region in terms of transportation is the Danube River as an important part of Rhine-Danube TEN-T Corridor. Waterway transport has a relatively low environmental impact, thus the creation of an efficient multimodal transport system in the region may become a driving force in support for its sustainable development.

Water transport must respect the Water Framework Directive and the Danube River Basin Management Plan (DRBMP). Navigation projects shall take a due account of the Water Framework Directive requirements, and in particular Article 4(7) conditions, if relevant.

#### Figure 11. Potential multimodal accessibility

See map in Annex 10

#### Challenges and needs for cooperation

- In order to reduce the accessibility deficit of the areas outside the TEN-T corridors, there is a need to establish an innovative and sustainable mobility system
- Besides the infrastructural development, efforts are needed on strategic management level for increasing the public transport efficiency in functional urban and rural areas, and for improving the level of safety of transport networks in the region
- There is a need to fully exploit the region's potential in terms of mobility by developing efficient multi-modal hubs/networks
- The negative effects of transport and the relative fragility of the ecological balance are asking for the identification of innovative solutions to reduce the harmful impact.

#### 1.1.1.10 Energy

##### Characteristics

Energy supply is the backbone of economic growth, and therefore, its shortage or unaffordability becomes a constraining factor for economic development. Danube Region, not unlike the EU Member States and other countries around the world, currently face immense challenges in the energy sector. The diversity of energy production/distribution systems and the energy efficiency targets on European level, require the preparation of

national plans for a better usage of the existing sources and a higher level of energy security.

In terms of energy consumption, due to the higher level of development and more intense economic activity, the western part of the Danube Region has a higher level of energy consumption than the eastern part. On the other hand, they are also leaders in energy production, having an important share of their energy generation resulted from the use of renewable sources. Key elements to ensure the security of supply are the diversification of energy sources and energy transport, and the development of energy infrastructure systems (transmission and distribution). The Danube Region has to face high network losses which are above 10% in the majority of the countries, significantly increasing the transmission and distribution system usage fees.

The topic is a typical issue in which macro-regional approach is essential in order to ensure more effective regional planning, especially since there is a considerable lack of cooperation between Danube Region countries in the field of energy..

Challenges and needs for cooperation

- Coordinated measures are needed in the different sectors of energy production/distribution/usage in order to secure a stable supply system in the region.
- There is a need to enhance the interconnection of the transmission/distribution networks, the establishment of functional regional energy markets, the improvement of energy efficiency or the better usage of the potential in renewable energies, thus increasing the region's security of energy supply

#### 1.1.1.11 Governance

Characteristics

The Danube Transnational Programme's area is characterized by a very high administrative fragmentation, the macro-region being composed of 14 states of very different sizes and administrative structures. Besides the different principles which are at the basis of the administrative systems, the countries of the region are on a different level of governance performance, reflecting the different development paths. As a consequence, the countries display various institutional capacities most of them lacking the strategic and operational capacity to respond to challenges, as the usage the investment opportunities provided by the European funds as a major source of development. In this sense, according to the EC "Strategic report on implementation 2007 - 2013" issued in October 2013, a high share of countries of the Danube Region are ranked at the bottom of EU-27 Index of absorption rate of structural funds.

Moreover, the involvement of civil society and other stakeholders in the decision-making processes is still limited in big parts of the programme area, therefore diminishing the impact of the interventions.

With some exceptions (one of the good examples of efficient transnational cooperation in the field of governance is the International Committee for the Protection of the Danube River (ICPDR), there is a lack in the capacity of using the potential of territorial cooperation in improving the governance, even though there are some very relevant policy areas which can be efficiently approached only within a joint, transnational framework. The transnational actions can help improving this capacity, but also to



promote the good practices related to delivery of public services and for encouraging exchange of experiences in order to better contribute to the EU objectives.

The approach of addressing problems in an integrated manner on transnational level, was already recognized as an efficient tool by the countries situated within the Danube river basin. The result of this process was the **European Union Strategy for the Danube Region**, endorsed by the Member States in April 2011. It is designed to foster development in the area through cooperation, focusing on four pillars and eleven priority areas. The macro-regional strategy helps formulate joint policy objectives and supports better coherence of EU policies in the Danube Region. The governance system of the strategy is based on Priority Area Coordinators, which are ensuring the implementation of priority areas through planning and providing technical assistance for achieving the assumed targets. Thus, their activity is fundamental for the successful implementation of the Strategy and for generating good quality transnational projects.

Even if the start is promising, based on the experience accumulated, there are some elements of the implementation which need to be further strengthened or developed in order to enhance the operation and effectiveness of EUSDR's governance system. The Danube Transnational Programme may contribute to these efforts by providing assistance to the governance of the strategy, either by supporting the activity of the PACs or by ensuring that proper quality, mature projects are prepared for the implementation of the EUSDR goals. Moreover, the programme can enhance the sense of ownership by providing the platform for communication among different stakeholder representing the regional governmental bodies and civil society.

#### Challenges and needs for cooperation

- The usage of ERDF funds as a source for investment is relatively low due to the limited capacity of the national systems, which can be improved by the transnational transfer of experiences.
- The potential of the transnational cooperation in the exchange of good practices and coordination of policies is not sufficiently explored when addressing major societal challenges in the region
- The decision-making of the administrative systems should be improved by increasing the level of cooperation between different governmental levels, sectoral policies, governmental and non-governmental organizations
- There is a need to support the governance system of the EUSDR by supporting the activity of the PACs, in order to ensure a more effective implementation of the strategy
- Considering the difficulties faced by potential project owners, support shall be provided to develop mature projects in order to ensure better access to different funding sources for implementation of the EUSDR
- In order to strengthen and support the implementation of the EUSDR, there is a need for the establishment of a EUSDR Strategy Point, in order to facilitate the information flow between EUSDR key actors.

1.1.1.12 Strategic response by the cooperation programme to contribute to Europe 2020

In 2010, the European Union and its Member States launched the Europe 2020 strategy as a ten years roadmap, which is an overall strategic framework (quantified by five EU headline targets) putting forward three mutually reinforcing priorities:

- Smart growth: developing an economy based on knowledge and innovation.
- Sustainable growth: promoting a more resource efficient, greener and more competitive economy.
- Inclusive growth: fostering a high-employment economy delivering social and territorial cohesion.

The link of the Danube Transnational Programme to the Europe 2020 strategy goals is ensured through the definition of thematic objectives (Article 9, CPR) and the requirement for thematic concentration (Art. 6 ETC Reg.). The thematic objectives are further broken down into investment priorities (Article 5 ERDF Reg.) and specific objectives (Article 7 ETC Reg.). Priority axes are set out to combine investment priorities from one or from different thematic objectives in order to achieve synergies.

The priorities for the present cooperation programme are based on the specific characteristics and needs of the programme area which have been identified and agreed through an extensive programming and consultation process among the programme stakeholders and a wider ETC community. Moreover, the programming took into account lessons learned from previous programming periods, the given financial framework and the existence of suitable implementation and administration structures.

Priorities of the cooperation programme – selection of thematic objectives and investment priorities

The Danube Transnational Programme will contribute to Europe 2020 through investing in the following thematic objectives and corresponding investment priorities where transnational cooperation is expected to deliver good results (“TNC filter”) building on SEE experience:

- Thematic objective (1) “Strengthening research, technological development and innovation”- investment priority 1b) including the social dimension of innovation and human resource aspects to be addressed;
- Thematic objective (6) “Preserving and protecting the environment and promoting resource efficiency” – investment priorities 6b), 6c) and 6d) including risk management;
- Thematic objective (7) “Promoting sustainable transport and removing bottlenecks in key network infrastructures” – investment priorities 7c) and 7e) including energy security and energy efficiency;
- Thematic objective (11) “Enhancing institutional capacity of public authorities and stakeholders and efficient public administration” - in terms of developing the institutional capacities in the macro-region and in supporting the governance and implementation of EUSDR.

The cooperation programme shows a clear thematic concentration on the thematic objectives 1, 6, 7 and 11. This is in line with the ETC Regulation since at least 80% of the ERDF finances shall be concentrated on a maximum of four thematic objectives.

To maintain a strong focus on thematic concentration and limit the number of investment priorities, complementarity and potential synergies between investment priorities have been widely explored and used. For instance investments to creating and/or maintaining ecological corridors are directly interlinked with water management and the control of environmental risk factors such as climate change and flood risks. For a cooperation programme it is more suitable to have an integrated approach in this way, since it primarily deals with governance frameworks and capacity building and not with “hard” physical investments.

A detailed justification for the selected investment priorities is given in section 1.1.2.

The following thematic objectives of the EU framework were **not directly selected** by the Programming Committee due to the following reasons.

- Thematic objective (2) “Enhancing access to, and use and quality of, ICT” - Limited relevance of the topic for transnational cooperation. Only to be considered as a cross-cutting issue;
- Thematic objective (3) “Enhancing the competitiveness of SMEs” - Strong needs related to this topic, but the most important aspects – exploitation of new ideas, innovation – are part of the TO1. Therefore TO3 was not selected;
- Thematic objective (4) “Supporting the shift towards a low-carbon economy in all sectors” - the TO4 was not selected, however, parts of it may be tackled under TO1, where innovative approaches can be initialized as part of eco-innovation and moreover under TO7 related to energy security and energy efficiency;
- Thematic objective (5) “Promoting climate change adaptation, risk prevention and management” – investment priority 5b) was considered as highly relevant in terms of flood risks, but the aspects should be dealt with under TO6;
- Thematic objective (8) “Promoting sustainable and quality employment and supporting labour mobility” - Major needs are existing in the area in relation to development of human resources. Due to the thematic concentration requirements it is not selected, but parts could be considered under TO11. Furthermore, the cooperation programme shall support innovative solutions (under 1b) to tackle the complexity of the challenges effectively.
- Thematic objective (9) “Promoting social inclusion, combating poverty and any discrimination” - The complexity of the problem suggests that a much wider approach is needed, than covering by a Thematic Objective alone. Nevertheless, social innovation supported under IP1b can address some important problems in an effective manner, further aspects being also subject of potential initiatives under TO11.
- Thematic objective (10) “Investing in education, training and vocational training for skills and lifelong learning” - Major needs were identified in the region in relation to education, but due to the thematic concentration requirements, the TO is not selected. Parts of the topic may be tackled under TO1 via innovative learning systems, while institutional capacity-building and cooperation may be addressed under TO11.

Mission

As a general orientation for the implementation of the programme priorities the following mission statement was formulated by the Programming Committee. It can be briefly summarized in the following points:

- Contribute to a higher degree of territorial integration of the very heterogeneous Danube region by the development and implementation of strategic frameworks and shared perspectives in a number of areas where action cannot be taken effectively without transnational frameworks. Where awareness of shared needs, challenges and opportunities exists, pilot actions can enable actors to develop new approaches on a common basis;
- Act as a policy driver and pioneer to tackle common challenges and needs in specific policy fields where transnational cooperation is expected to deliver good results;
- Develop policy frameworks, tools and services and concrete pilot investments whereby strong complementarities with the broader EUSDR will be sought;
- Make targeted selection of the most relevant interventions and further increase the efficiency of administrative procedures and reduce the administrative burden for the beneficiaries in order to ensure the success of programme implementation.

#### Priority axes of the Danube Transnational Programme

The cooperation programme is structured across five priority axes (including a priority axis for Technical Assistance) that intend to develop coordinated policies and actions in the programme area reinforcing the commitments of the Europe 2020 strategy towards the three dimensions of smart, sustainable and inclusive growth.

#### Priority axis 1: Innovative and socially responsible Danube region

The priority axis includes one investment priority (1b) corresponding to the thematic objective 1 (Research and innovation).

In order to contribute to the implementation of the flagship initiative “Innovation Union of the Europe 2020 Strategy” in the Danube Region countries the programme pays specific attention to a number of innovation topics of broad relevance in the cooperation area such as eco-innovation, knowledge transfer, cluster policy, social innovation and skilled entrepreneurship including technological and non-technological innovation aspects. The social dimension in innovation (social innovation, educational aspects, and entrepreneurship skills) is given high importance. Research and innovation is interlinked with other thematic objectives addressed by the programme: TO 6 (environment including climate adaptation, innovative technologies for adaptation and risk prevention), TO 7 (promoting sustainable transport and removing bottlenecks: innovative solutions for environmentally friendly and low-carbon transport systems and for energy security and energy efficiency) and TO 11 (administrative capacities can be enhanced through innovation).

#### Priority axis 2: Environment and culture responsible Danube region

The priority axis includes three investment priorities (6b, 6c and 6d) corresponding to the thematic objective 6 (Environment and resource efficiency).

The programme strengthens joint and integrated approaches to preserve and manage the diversity of natural and cultural assets in the Danube region as a basis for sustainable

development and growth strategies. Moreover the programme envisages investing in the creation and/or maintenance of ecological corridors of transnational relevance in the Danube region. This intervention is directly interlinked with water management and the control of environmental risk factors such as climate change and flood risks. Furthermore disaster prevention and disaster management (risk management) is addressed related to risks that are caused by non-functioning ecosystems and man-made changes in climate conditions.

#### Priority axis 3: Better connected and energy responsible Danube region

The priority axis includes two investment priorities (7c and 7e) corresponding to the thematic objective 7 (Transport).

The cooperation programme will tackle common challenges related to environmentally-friendly (including low-noise), low-carbon and safe transport systems including inland waterways & ports and multimodal links in order to contribute to sustainable regional and local mobility, modal integration and intelligent transport. The programme intends also to support the regional connectivity and the balanced accessibility of urban and rural areas. Better management of regional mobility and better permeability of borders at the regional level should ensure that urban and rural areas benefit from the opportunities created by the major transportation networks which are developed at the European level. Moreover energy is a typical issue in which a transnational approach is essential in order to ensure the security of supply of the countries, market integration and more effective regional planning, as well as to jointly identify the most critical infrastructure developments. Regional energy planning and –coordination should be improved across the Danube region within the wider context of EU energy policy-making to safeguard the security and efficiency of energy supplies. Another aspect is the development of smart distribution systems where the programme area is still in the early stages. The programme aims to contribute within its specific scope to the development of smart energy distribution systems to make the significant investments of regions in renewable energy sources, energy efficiency and smart grids more efficient.

#### Priority axis 4: Well governed Danube region

The Priority axis includes one investment priorities distinguished into two specific objectives (“11a”/ERDF and “11b”/ETC) corresponding to the thematic objective 11 (Governance).

Institutional cooperation and capacity is a key target and the vital element of the programme at the same time. Institutional capacity is not just a technical matter of training civil servants, but it relates to how public authorities interact with and deliver services to businesses and citizens. "Good governance" is the basis and ultimate objective for institutional capacity building. Good governance builds trust and social capital. States with a high level of social capital tend to perform better economically.

The need has been identified by the analysis to develop the capacities of the public authorities and other public and civil society stakeholders to become able to tackle more effectively the challenges of highest relevance for the region. Establishing institutional cooperation by the programme should lead to improving legal and policy frameworks, developing strategies and action plans, development of joint capacities and coordinated delivery of services in areas with major societal challenges such as labour market policies, education systems and policies, demographic change and migration challenges, inclusion of vulnerable and marginalized groups, participatory planning process and

involvement of civil society, urban-rural cooperation and partnership, cooperation on safety, justice and security issues. In addition, there is the need to improve the capabilities and capacities of public institutions and key actors involved in complex transnational project development to implement the EUSDR in a more effective way.

Last but not least the **Priority Axis 5 (Technical Assistance)** should ensure the efficient and smooth implementation of the Danube Transnational Programme.

The “big picture” of the cooperation programme is presented in the following table.

Figure 12. Overview on priority axes and specific objectives of the cooperation programme

See illustration in Annex 10

Types of actions to be supported under the cooperation programme

In principle the following types of actions are supported under the cooperation programme:

- Development of **common orientations, frameworks and strategies** in fields of transnational relevance where early policy development is needed (i.e. in fields which until now have not been touched by significant projects in the previous programming periods);
- Development and practical implementation of **transnational tools and services** (e.g. analytical tools, management tools, technical tools, software tools, monitoring tools);
- **Preparation of transnational investments** (infrastructure, equipment) to be subsequently financed through other sources;
- **Pilot activities** including small-scale fixed investments (of testing or demonstration nature);
- Development and practical implementation of **training and capacity building** (e.g. training seminars and courses, study visits, peer reviews);
- Accompanying **information, dissemination, capitalisation and publicity measures** to inform stakeholders and/or the general public about project activities and outcomes.

The cooperation programme supports the creation of groups, platforms, networks and exchange of good practice fora in order to develop implementation-oriented joint initiatives, joint actions and pilot projects.

The above mentioned **transnational investments** are made in the course of the joint transnational work. The preparation, implementation and evaluation of such investments should be done in a clear transnational context. This context means that the project should either:

- follow a transnational physical or functional link (e.g. transport corridor, tourism route, network), the placement of which has been analysed from a transnational



perspective and which demonstrates a socio-economic or environmental impact beyond the national border, or

- create a transferable practical solution ('blue-print') through a case study in one area which is subsequently jointly evaluated by the project partners and transferred for testing to at least two other participating states.

Examples of actions to be supported under the programme are described in section 2.

The complementarities of planned interventions with the EU Strategy for the Danube Region (EUSDR) both in the programming process as well as in the implementation phase is outlined in section 4.4.

[1] Centre for European Economic Research GmbH (ZEW), Institute for Applied Economic Research (IAW), The Vienna Institute for International Economic Studies (wiiw) (March 2014): Socio- Economic Assessment of the Danube Region: State of the Region, Challenges and Strategy Development

1.1.2 Justification for the choice of thematic objectives and corresponding investment priorities, having regard to the Common Strategic Framework, based on an analysis of the needs within the programme area as a whole and the strategy chosen in response to such needs, addressing, where appropriate, missing links in cross-border infrastructure, taking into account the results of the ex-ante evaluation

**Table 1: Justification for the selection of thematic objectives and investment priorities**

Selected thematic objective	Selected investment priority	Justification for selection
01 - Strengthening research, technological development and innovation	1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling	<ul style="list-style-type: none"> <li>• There is an important potential in coordinating the research and innovation capacities of the macro-region, its heterogeneity offering the opportunity to exploit the comparative advantages of optimized internal synergies</li> <li>• The insufficient development of the cross-linkages between enterprises, R&amp;D institutions and public sector (triple helix approach) shall be improved, since it can contribute to the commercial use of the innovative technologies and processes</li> <li>• The existing human resource capital can be better exploited by increasing the skills and competences through innovative methods, so people can better use the knowledge-intensive products and services and can contribute to the further generation of innovative</li> </ul>

Selected thematic objective	Selected investment priority	Justification for selection
	technologies and diffusion of general purpose technologies	products/processes/services
06 - Preserving and protecting the environment and promoting resource efficiency	6b - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements	<ul style="list-style-type: none"> <li>• Mechanisms for management and control of the water as a central resource for the area have to be further developed</li> <li>• Sustainable and long-term use of water resources should integrate flood protection</li> </ul>
06 - Preserving and protecting the environment and promoting resource efficiency	6c - Conserving, protecting, promoting and developing natural and cultural heritage	<ul style="list-style-type: none"> <li>• The governance of the rich cultural and natural heritage sites shall be improved by upgrading their management and ensure their preservation</li> <li>• There is a weak transnational coordination in maximizing the results of sustainable touristic exploitation of the cultural and natural resources of Danube Region</li> <li>• Cooperation is acknowledged as a key tool for enhancing sustainability planning and fostering the development of tourism destinations in the area</li> </ul>
06 - Preserving and protecting the environment and promoting resource efficiency	6d - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure	<ul style="list-style-type: none"> <li>• Increased fragmentation of natural habitats due to human interventions (transport corridors, land use, logging) is endangering the exceptional biodiversity of the region</li> <li>• The relative underdevelopment of green infrastructure needs to be addressed in order to improve the management of the protected areas</li> <li>• There is a need to coordinate the capacities in the region related to forecasting, preparedness and intervention in case of natural or human activity related disasters</li> </ul>
07 - Promoting sustainable transport and removing bottlenecks in key network	7c - Developing and improving environmentally-friendly (including low noise) and low-carbon transport	<ul style="list-style-type: none"> <li>• There are remote areas in the region with considerable accessibility deficits, therefore the connectivity to the (trans-European) transport</li> </ul>

Selected thematic objective	Selected investment priority	Justification for selection
infrastructures	systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility	<p>networks is needed</p> <ul style="list-style-type: none"> <li>• There is a general need to shift transport to a more environmental friendly mode, by developing more efficient management solutions on transport systems to reduce pollution</li> <li>• Multimodality facilitate more sustainable transport systems, therefore efforts shall be made in order to develop them</li> </ul>
07 - Promoting sustainable transport and removing bottlenecks in key network infrastructures	7e - Improving energy efficiency and security of supply through the development of smart energy distribution, storage and transmission systems and through the integration of distributed generation from renewable sources	<ul style="list-style-type: none"> <li>• The energy efficiency targets on EU level require the development of an efficient transmission and distribution systems in order to increase the level of energy security</li> <li>• The energy dependency of the region can be reduced through a better coordination between the energy policies of the countries</li> </ul>
11 - Enhancing institutional capacity of public authorities and stakeholders and an efficient public administration	11a - Enhancing institutional capacity of public authorities and stakeholders and efficient public administration through actions to strengthen the institutional capacity and the efficiency of public administrations and public services related to the implementation of the ERDF, and in support of actions under the ESF to strengthen the institutional capacity and the efficiency of public administration	<ul style="list-style-type: none"> <li>• While enhancing the circulation of good practices, the institutional and policy coordination between countries should be strengthened, in order to increase the institutional capacities to operate and to further develop existing structures and processes for a better administrative performance of the public sector in the fields of major societal challenges</li> <li>• The development and utilization of modern management systems and tools by the public institution is modest in many parts of the region, and this represents an important deficit for the quality of the public administration which needs to be addressed</li> </ul>
11 - Enhancing institutional capacity of public authorities and stakeholders and an efficient public administration	11c - Developing and coordinating macro-regional and sea-basin strategies (ETC-TN)	<ul style="list-style-type: none"> <li>• Based on the experiences accumulated, assistance to the governance system of the EUSDR should be provided by supporting the activity of the key implementers</li> </ul>

Selected thematic objective	Selected investment priority	Justification for selection
		<p>and developing new tools for increasing the communication between key actors</p> <ul style="list-style-type: none"> <li>• The efficient implementation of the EUSDR is dependent on good quality, mature projects, therefore, considering the difficulties faced by potential project owners, support shall be provided in order to mobilise different funding sources for implementation of the EU Strategy</li> </ul>

## 1.2 Justification for the financial allocation

Justification for the financial allocation (i.e. Union support) to each thematic objective and, where appropriate, investment priority, in accordance with the thematic concentration requirements, taking into account the ex-ante evaluation.

The overall Union support for the cooperation programme is of around EUR 222 million, with an ERDF contribution of around EUR 202 million and an IPA contribution of around 20 million as detailed in section 3 (Financing Plan). Complementary investments will be done by national public and private funding. After the integration of the ENI funds the overall Union support of the cooperation programme is around EUR 232 million, the integrated table including all Union funds and the corresponding national contributions can be found in a separate document attached to this document.

In budget planning it has to be considered that the cooperation programme finances primarily “soft type interventions” such as the development of common frameworks, transnational tools and services, preparation of transnational investments, training and capacity building, and dissemination measures complemented with small-scale physical investments. Physical infrastructural types of investments are out of the scope of the cooperation programme.

The financial allocation to the chosen thematic objectives TO1, TO6, TO7 and TO11 reflects the priorities set by the Programming Committee and takes into account the experiences of the programming period 2007-2013 and the continuation of efforts in promising policy areas such as innovation and environment but also with a close view to thematic issues which are of pivotal interest but have not been directly covered by the predecessor cooperation programme such as energy security, skills and knowledge, and support for the governance and implementation of the EUSDR.

The experience from the South-East Europe transnational cooperation programme (SEE) 2007-2013 showed that in terms of approved proposal priorities 1 (Innovation) and 2 (Environment) were the best performing, even though towards the end of the SEE programme period also the other two priorities (3. Accessibility and 4. Sustainable growth areas) considerably improved. In priority 3 (Accessibility) the involvement of transport

stakeholders deemed more difficult than expected. On the other side the interest of the IPA countries regarding transport and mobility issues proved to be very high.

On the basis of previous experience and the need to address also new topics under the cooperation programme the programming committee made a strategic decision for the following financial resource allocation:

- 28% of ERDF and around 27% of IPA funds are allocated to thematic objective (1) “Strengthening research, technological development and innovation”- specifically to investment priority 1b). This is in line with the emphasis given to innovation, technology transfer, entrepreneurship and to build up competences for business and social innovation by means of a cooperation programme which is of specific interest of the DTP. The cross-sectorial character of innovation is also a reason for this choice;
- 32% of ERDF and around 31% of IPA funds are allocated to thematic objective (6) “Preserving and protecting the environment and promoting resource efficiency” – specifically to the investment priorities 6b), 6c) and 6d). The highest financial allocation is justified because there is a huge demand for joint transnational actions and approaches in this field and the DTP is expected to contribute to policy integration in a number of strongly interrelated activity fields, i.e. sustainable use of natural and cultural heritage and resources, the restoration of ecological corridors, water management and flood risk prevention and disaster risk management.
- 21% of ERDF and around 20% of IPA funds are allocated to thematic objective (7) “Promoting sustainable transport and removing bottlenecks in key network infrastructures” – specifically to the investment priorities 7c) and 7e). This includes the promotion of smart, sustainable and low carbon transport systems, of a balanced accessibility of urban and rural areas, and the topic energy security and energy efficiency. Since the cooperation programme is designed to support primarily “soft type interventions” and should only complement other European initiatives and programmes a lower allocation – in comparison to innovation and environment – is reasonable. It has also to be considered that the topic energy security is new to the programme and there is hardly any implementation experience from the perspective of a transnational cooperation programme;
- 13% of ERDF and around 12% of IPA funds are allocated to thematic objective (11) “Enhancing institutional capacity of public authorities and stakeholders and efficient public administration” - in terms of developing the institutional capacities in the macro-region and in supporting the governance and implementation of EUSDR. The projects expected target a smaller group of multilevel governance actors and are expected to be less costly (a comparatively smaller project volume is expected for institutional capacity building projects), however, a strong leverage effect is intended.
- In addition 6% of ERDF and 10% of IPA funds are allocated for the Technical Assistance.

Overall, the themes **innovation** (including investments in competences and knowledge) and **environment** (including risk management) are the main priorities of the Danube Transnational Programme covering around 60% of funds.

**Table 2: Overview of the investment strategy of the cooperation programme**

Priority axis	ERDF support (€)	Proportion (%) of the total Union support for the cooperation programme (by Fund)			Thematic objective / Investment priority / Specific objective	Result indicators corresponding to the specific indicator
		ERDF	ENI (where applicable)	IPA (where applicable)		
1	56,586,713.00	25.50%	0.00%	2.40%	<ul style="list-style-type: none"> <li>▼ 01 - Strengthening research, technological development and innovation <ul style="list-style-type: none"> <li>▼ 1b - Promoting business investment in R&amp;I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies <ul style="list-style-type: none"> <li>▼ 1.1 - Improve framework conditions for innovation (short title). Improve the institutional and infrastructural framework conditions and policy instruments for research &amp; innovation to ensure a broader access to knowledge for the development of new technologies and the social dimension of innovation</li> <li>▼ 1.2 - Increase competences for business and social innovation (short title). Foster innovative learning systems to increase competences of employees in the business sector, to strengthen entrepreneurial culture and learning contributing to better meet social needs and the delivery of services in the general interest.</li> </ul> </li> </ul> </li> </ul>	[1.1, 1.2]
2	64,670,530.00	29.14%	0.00%	2.74%	<ul style="list-style-type: none"> <li>▼ 06 - Preserving and protecting the environment and promoting resource efficiency <ul style="list-style-type: none"> <li>▼ 6b - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements <ul style="list-style-type: none"> <li>▼ 2.1 - Strengthen transnational water management and flood risk prevention (short title). Strengthen joint and integrated approaches to further develop and implement River Basin Management Plans in the Partner States in line with the overall Danube River Basin Management Plan in order to improve transnational water management and flood risk prevention contributing to the sustainable provision of ecosystem services.</li> </ul> </li> <li>▼ 6c - Conserving, protecting, promoting and developing natural and cultural heritage <ul style="list-style-type: none"> <li>▼ 2.2 - Foster sustainable use of natural and cultural heritage and resources (short title). Strengthen joint and integrated approaches to preserve and manage the diversity of natural and cultural heritage and resources in the Danube region as a basis for sustainable development and growth strategies.</li> </ul> </li> <li>▼ 6d - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure <ul style="list-style-type: none"> <li>▼ 2.3 - Foster the restoration and management of ecological corridors (short title). Strengthen effective approaches to preservation, restoring and management of bio-corridors</li> </ul> </li> </ul> </li> </ul>	[2.1, 2.2, 2.3, 2.4]

Priority axis	ERDF support (€)	Proportion (%) of the total Union support for the cooperation programme (by Fund)			Thematic objective / Investment priority / Specific objective	Result indicators corresponding to the specific indicator
		ERDF	ENI (where applicable)	IPA (where applicable)		
					<p>and wetlands of transnational relevance to contribute to the better conservation status of ecosystems of European relevance.</p> <p>▼ 2.4 - Improve preparedness for environmental risk management (short title). Establish and develop a more effective governance system for environmental protection addressing emergency situations and improve the preparedness of public authorities and civil protection organisation contributing to the reduction of risks and impact on ecosystem services, biodiversity and human health.</p>	
3	42,440,035.00	19.12%	0.00%	1.80%	<p>▼ 07 - Promoting sustainable transport and removing bottlenecks in key network infrastructures</p> <p>▼ 7c - Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility</p> <p>▼ 3.1 - Support environmentally-friendly and safe transport systems and balanced accessibility of urban and rural areas (short title). Improve planning, coordination and practical solutions for an environmentally-friendly, low-carbon and safer transport network and services in the programme area contributing to a balanced accessibility of urban and rural areas.</p> <p>▼ 7e - Improving energy efficiency and security of supply through the development of smart energy distribution, storage and transmission systems and through the integration of distributed generation from renewable sources</p> <p>▼ 3.2 - Improve energy security and energy efficiency (short title). Contribute to the energy security and energy efficiency of the region by supporting the development of joint regional storage and distribution solutions and strategies for increasing energy efficiency and renewable energy usage.</p>	[3.1, 3.2]
4	26,272,403.00	11.84%	0.00%	1.11%	<p>▼ 11 - Enhancing institutional capacity of public authorities and stakeholders and an efficient public administration</p> <p>▼ 11a - Enhancing institutional capacity of public authorities and stakeholders and efficient public administration through actions to strengthen the institutional capacity and the efficiency of public administrations and public services related to the implementation of the ERDF, and in support of actions under the ESF to strengthen the institutional capacity and the efficiency of public administration</p> <p>▼ 4.1 - Improve institutional capacities to tackle major societal challenges (short title). Strengthen multilevel- and transnational governance and institutional capacities and provide viable institutional and legal frameworks for more effective, wider and deeper transnational cooperation across the Danube region in areas with major societal challenges.</p> <p>▼ 11c - Developing and coordinating macro-regional and sea-basin strategies (ETC-TN)</p>	[4.1, 4.2]

Priority axis	ERDF support (€)	Proportion (%) of the total Union support for the cooperation programme (by Fund)			Thematic objective / Investment priority / Specific objective	Result indicators corresponding to the specific indicator
		ERDF	ENI (where applicable)	IPA (where applicable)		
					▼ 4.2 - Support to the governance and implementation of the EUSDR (short title). Improve the governance system and the capabilities and capacities of public institutions and key actors involved in complex transnational project development to implement the EUSDR in a more effective way.	
5	12,125,724.00	5.46%	0.00%	0.89%	5.1 - Ensure the efficient and smooth implementation of the Danube Transnational Programme.	[-]



## 2. PRIORITY AXES

### 2.A DESCRIPTION OF THE PRIORITY AXES OTHER THAN TECHNICAL ASSISTANCE

#### 2.A.1 Priority axis

<b>ID of the priority axis</b>	1
<b>Title of the priority axis</b>	Innovative and socially responsible Danube region

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development

#### 2.A.2 Justification for the establishment of a priority axis covering more than one thematic objective (where applicable)

n.a

#### 2.A.3 Fund and calculation basis for Union support

<b>Fund</b>	<b>Calculation basis (total eligible expenditure or eligible public expenditure)</b>
ERDF	Total
IPAE	Total

#### 2.A.4 Investment priority

<b>ID of the investment priority</b>	1b
<b>Title of the investment priority</b>	Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand

<b>ID of the investment priority</b>	1b
	stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies

## 2.A.5 Specific objectives corresponding to the investment priority and expected results

<b>ID of the specific objective</b>	1.1
<b>Title of the specific objective</b>	Improve framework conditions for innovation (short title). Improve the institutional and infrastructural framework conditions and policy instruments for research & innovation to ensure a broader access to knowledge for the development of new technologies and the social dimension of innovation
<b>Results that the Member States seek to achieve with Union support</b>	<p>It is widely acknowledged that innovative capacity and sustainable structures for research and innovation are determined by the interplay of framework factors which enable knowledge to be converted into new products, processes and organisational forms which in turn enhance economic development and growth. The frameworks for innovations link science and technology and non-technology capacity to institutional capacity, i.e. the quality and reach of public governance for innovation, excellent research infrastructure, effective technology transfer institutions, a sound banking and financial system, working (higher) education and training systems and an innovation-friendly environment.</p> <p>The improvement of innovation framework condition in terms of institutional cooperation and policy instruments and developing practical cross-linkages between enterprises, R&amp;D institutions, higher education, the public sector and the users, i.e. the quadruple helix, is a major challenge for the most parts of the Danube region as illustrated in the analysis chapter. Poor cross-linkages among scientific centres, education, public authorities and SMEs pose a main difficulty in transforming the scientific results into commercial success and to enable a broader access to knowledge.</p> <p>Transnational cooperation can take an important role in developing common orientations, frameworks and tools (policy instruments) by bringing together key players including public institutions, RTD facilities, SMEs and technology transfer institutions and finance practical pilot activities to demonstrate and evaluate the feasibility of transnational tools and services.</p> <p>Overall, the main envisaged results are:</p> <ul style="list-style-type: none"> <li>· Improved strategic frameworks and cooperation to build up excellent research infrastructure in the Danube region.</li> <li>· More effective collaborative research &amp; innovation activities and support of competent networks between enterprises, R&amp;D centres, education and higher education and the public sector to enhance the commercial use of research results, foster</li> </ul>

<b>ID of the specific objective</b>	1.1
<b>Title of the specific objective</b>	Improve framework conditions for innovation (short title). Improve the institutional and infrastructural framework conditions and policy instruments for research & innovation to ensure a broader access to knowledge for the development of new technologies and the social dimension of innovation
	<p>technology transfer and broaden access to knowledge.</p> <ul style="list-style-type: none"> <li>· Improved coordination and developed practical solutions for cluster policies and transnational cluster cooperation for innovation development in technological areas (e.g. environmental technologies and energy efficiency) and non-technological areas (service innovation, social innovation) based on smart specialisation approaches (RIS3).</li> <li>· Improved strategic frameworks and developed practical solutions to tackle bottleneck factors that hinder the innovation in SMEs, e.g. better access to innovation finance, support for innovative start-ups, and better assistance with the management of intellectual property rights.</li> </ul> <p>Specific attention should be given to the cross cutting issues of general interest such as eco-innovation (e.g. in order to tackle climate change adaption and mitigation and the pressure on resources), social innovation (e.g. to meet social needs related to demographic change, ageing population) and service innovation (e.g. related to strengthening the employment and knowledge intensive cultural and creative industries) where the programme sets a priority and which can be tackled at different levels.</p> <p>Since the participation in cooperation initiatives is very uneven in the Danube region, especially actors and organisations from less developed regions of the Danube area need to be better integrated into cooperation processes and competent networks.</p>
<b>ID of the specific objective</b>	1.2
<b>Title of the specific objective</b>	Increase competences for business and social innovation (short title). Foster innovative learning systems to increase competences of employees in the business sector, to strengthen entrepreneurial culture and learning contributing to better meet social needs and the delivery of services in the general interest.
<b>Results that the Member States seek to achieve with Union support</b>	<p>This objective extends the circle of classical innovation actors and attempts to bridge the gap to education and training actors, institutions and policy makers at all levels. Transnational action should reinforce cross-disciplinary links between relevant players such as decision makers, education and training facilities, research institutions, business sector, labour market organisations.</p> <p>It is evident that there is a strong circular and cumulative interaction between knowledge, skills and innovation. Skilled people</p>

<b>ID of the specific objective</b>	1.1
<b>Title of the specific objective</b>	Improve framework conditions for innovation (short title). Improve the institutional and infrastructural framework conditions and policy instruments for research & innovation to ensure a broader access to knowledge for the development of new technologies and the social dimension of innovation
	<p>play a crucial role in innovation through the new knowledge they generate, how they adopt and develop existing ideas, and through their ability to learn new competencies and adapt to a changing environment.</p> <p>In parts of the Danube region the lack of attractive workplaces for highly qualified people leads to a brain-drain of young and well-educated people which can be stemmed through the development of a learning and socially innovative culture in local businesses.</p> <p>In addition, the Danube region needs to make better use of the existing potentials of an increasingly diverse and aging society. Training and education need to enable all individuals to address the socio-economic changes and to obtain qualifications necessary in a knowledge-based economy.</p> <p>Moreover social innovation and social services should be given more room under this objective. Due to the continuing transformation process and low state capacities, work migration, demographic changes in many of the post-socialist Danube countries many social services are not provided within the social, health and educational field. Here innovative approaches are needed to safeguard services in general interest.</p> <p>Overall, transnational action should contribute to a favourable environment for the implementation of education, training and vocational training with the specific goal of building competences and skills of innovation and creativity, business and soft skills for the fostering of (social) innovation in the Danube region. It envisages the following results:</p> <ul style="list-style-type: none"> <li>· Improved policy learning and development of practical solutions to better adapt human resources to technological change and market requirements.</li> <li>· Improved policies and practical solutions for entrepreneurial culture and learning. Building up a stronger culture of entrepreneurship, improve developing skills and competences for innovative entrepreneurship including gender aspects and addressing also high-quality primary and secondary schooling. Strengthen capacities of the so called supporting organizations.</li> <li>· Improved environment, skills and competences to advance social innovation and social services to better meet social</li> </ul>

<b>ID of the specific objective</b>	1.1
<b>Title of the specific objective</b>	Improve framework conditions for innovation (short title). Improve the institutional and infrastructural framework conditions and policy instruments for research & innovation to ensure a broader access to knowledge for the development of new technologies and the social dimension of innovation
	<p>needs and further improve the capacities of regions and public institutions to manage new challenges such as those deriving from demographic change, migration and brain drain and to better provide services in the general interest.</p> <ul style="list-style-type: none"> <li>· Built up joint educational offers in specific fields of interest (e.g. in sustainable transport sector).</li> <li>· Improved systems for institutional learning and building capacities of public administration to better cope with innovation processes.</li> </ul> <p>Since this specific objective is pursued under thematic objective 1 (research &amp; innovation) the notion is on “<b>innovative learning systems</b>” (the broader fields of education, vocational education and training and lifelong learning without direct link to innovation can be addressed under TO 11 / Governance).</p>

**Table 3: Programme-specific result indicators** (by specific objective)

Specific objective		1.1 - Improve framework conditions for innovation (short title). Improve the institutional and infrastructural framework conditions and policy instruments for research & innovation to ensure a broader access to knowledge for the development of new technologies and the social dimension of innovation					
ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.1	Intensity of cooperation of key actors in the programme area in order to improve framework for research and innovation (composite indicator)	Semi-quantitative scale	3.68	2014	Increasing intensity (qualitative target)	Survey among selected key institutions in the field of research and innovation	2018, 2020, 2023

Specific objective	1.2 - Increase competences for business and social innovation (short title). Foster innovative learning systems to increase competences of employees in the business sector, to strengthen entrepreneurial culture and learning contributing to better meet social needs and the delivery of services in the general interest.
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ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.2	Intensity of cooperation of key actors in the programme area in order to increase competences for business and social innovation (survey based composite indicator)	Semi-quantitative scale	3.22	2014	Increasing intensity (qualitative target)	Survey among selected education & qualification key actors (potential actors in the area)	2018, 2020, 2023

## 2.A.6 Actions to be supported under the investment priority (by investment priority)

### 2.A.6.1 A description of the type and examples of actions to be supported and their expected contribution to the specific objectives, including, where appropriate, identification of the main target groups, specific territories targeted and types of beneficiaries

<b>Investment priority</b>	1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies
<p>In accordance with the SFC2014 model, the following part provides an overview of the <b>types of actions</b> planned to be supported by the cooperation programme. This overview is complemented by <b>indicative thematic examples</b>.</p> <p><b>The following types of action may be financed under the investment priority 1b</b></p> <p>Development of common orientations, frameworks and strategies, development and practical implementation of transnational tools and services, preparation of transnational investments, pilot activities including small-scale investments, development and practical implementation of training and capacity building, accompanying information, dissemination and publicity measures (see section 1.1.1.12).</p> <p><b>The following <u>indicative</u> examples of action may be considered to contribute to specific objective No 1.1 Improve framework conditions for innovation</b></p> <ul style="list-style-type: none"> <li>Contribute to developing an excellent research infrastructure in the Danube region, firstly in the form of joint planning and management of research infrastructures with a transnational scope (and not physical construction). Secondly the Danube Transnational Programme may also support joint efforts</li> </ul>	

<b>Investment priority</b>	1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies
<p>with regard to specific and/or smaller research infrastructures and try to raise them to excellence.</p> <ul style="list-style-type: none"> <li>· Support the improved coordination of cluster policies and cluster cooperation projects that lead to joint innovation and the development of joint smart specialisation approaches in technological and non-technological areas, e.g. the development &amp; expansion of cluster initiatives through joint training, joint market research, and coordination of cluster support programmes. Social clusters may also be considered. Cluster policies may be linked to the further development of smart specialisation approaches and Smart Regions concepts through knowledge transfer and capacity building of authorities, agencies, social and economic partners and the education and research community to fully utilize the potentials for smart specialisation in the Danube region.</li> <li>· Develop and implement strategies and instruments to provide better access to innovation finance and support for innovative start-ups. Joint efforts may be supported to improve instruments for better financing innovative SMEs, start-up support for creation of new jobs; internationalisation, access to new markets. Consider innovative ways of financing (e.g. better coordination of national, regional and EU funds, crowd funding etc.). A focus may be put on the creative industries, green technologies and environmental industry, and cultural incubators.</li> <li>· Develop and implement strategies to embrace innovative ideas with practical value and connect inventors with entrepreneurs experienced in business development so that those ideas can become commercially successful; develop and adapt legislation to support the successful implementation of innovative ideas in practice; engage in joint action to address the lack knowledge on intellectual property.</li> <li>· Support collaborative research &amp; innovation activities and competent networks between enterprises, R&amp;D centres, technology information centres, education and higher education, the public sector and the users to further develop innovative environmental technologies and common resource efficiency standards and benchmarks including energy efficiency technologies and cross-border water management and to enhance the commercial use of research results. Develop new open innovation approaches in quadruple helix.</li> <li>· Establish transnational networks between appropriate partners to develop and implement products, services and models to meet social needs and create new social relationships or cooperation. For instance public health research may be encouraged aiming to provide more extensive information to decision-makers and practice.</li> <li>· Support joint efforts to strengthen the capacities of the so called supporting organisations in the field of innovation related services and instruments.</li> </ul>	

<b>Investment priority</b>	1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies
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*These indicative actions are just examples of actions which may be performed within the projects. The projects are expected to be developed comprehensively enough so as to combine more actions and not be merely built around one of them exclusively.*

**The following indicative examples of action may be considered to contribute to specific objective No 1.2: Increase competences for business and social innovation**

- Support mutual learning and cooperation to increase skills of employees and employers to better adapt to technological change and market requirement (e.g. innovative work-based learning).
- Develop and implement strategies in order to motivate youth to engage in science and innovation and promoting youth entrepreneurship (“innovative youth”; empowering young people).
- Support the joint development of skills and knowledge for implementation of social innovation, innovative learning systems in the area of social services; dual professional education in social professions, e.g. for elderly care and people with special needs; skills development and innovative services in fields of general interest such as migration, health and ageing; business incubation, workplace innovation.
- Build up cross-disciplinary networks and joint transnational information and training actions for enhancing future needed job qualifications and competences.
- Develop joint tools and services to improve competences for innovative entrepreneurship, improving the innovation culture and innovation management skills, capacity building for start ups.
- Raise awareness on learning systems for development of open innovation.
- Support policy learning and practical innovative approaches for dual education to reform the educational systems.
- Building capacities of public administration for innovative public procurement to help foster market uptake of innovative products and services.
- Support strategic approaches of transnational educational and training networks in higher education to better linking academic and business



<b>Investment priority</b>	1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies
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qualifications.

*These indicative actions are just examples of actions which may be performed within the projects. The projects are expected to be developed comprehensively enough so as to combine more actions and not be merely built around one of them exclusively.*

### 2.1.3.3 Main target groups and types of beneficiaries supported under the investment priority

The main target groups are public and private actors who benefit from transnational achievements such as policy integration, knowledge transfer and capacity building, concrete solutions in the fields of innovation, research, technology transfer, clusters, SME development, social innovation and qualification.

Beneficiaries are according to their legal form local, regional and national public authorities/institutions, bodies governed by public law, EGTC, international organisations and private bodies.

Beneficiaries comprise according to their thematic scope among others local, regional and national public authorities and organisations established and managed by public authorities responsible for research, innovation, education and vocational education and training (VET), sectoral agencies and regional development agencies, networks, clusters and associations, research and development institutions, universities with research facilities, business support organisation (e.g. chamber of commerce, business innovations centres, technology information centres), higher education, education/training centre and school, NGOs, private enterprises including SME.

### 2.1.3.4 Specific territories targeted under the investment priority

No specific focus areas are defined. The entire programme area is eligible.

### 2.A.6.2 Guiding principles for the selection of operations

<b>Investment priority</b>	1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies
The selection of operations will be carried out in accordance with Article 12 of the ETC Regulation (EU) No 1299/2013. The guiding principles for project selection are described in section 5.3.3 of the cooperation programme and are not repeated here. The detailed assessment criteria will be laid down and made available to potential applicants in the Programme Manual and in the call-specific Application Packages.	

### 2.A.6.3 Planned use of financial instruments (where appropriate)

<b>Investment priority</b>	1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies
Not applicable	

### 2.A.6.4 Planned use of major projects (where appropriate)

<b>Investment priority</b>	1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies
Not applicable	

<b>Investment priority</b>	1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies
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### 2.A.6.5 Output indicators (by investment priority)

**Table 4: Common and programme-specific output indicators**

<b>Investment priority</b>		1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies			
<b>ID</b>	<b>Indicator</b>	<b>Measurement unit</b>	<b>Target value (2023)</b>	<b>Source of data</b>	<b>Frequency of reporting</b>
CO04	Productive investment: Number of enterprises receiving non-financial support	Enterprises	450.00	Monitoring system	yearly
CO26	Research, Innovation: Number of enterprises cooperating with research institutions	Enterprises	450.00	Monitoring system	yearly
P01	Number of strategies for improving the institutional and infrastructural framework conditions for research and innovation developed and/or implemented	Number	14.00	Monitoring system	yearly
P02	Number of tools for improving the institutional and infrastructural framework conditions for research and innovation developed and/or implemented	Number	28.00	Monitoring system	yearly
P03	Number of pilot actions for improving the institutional and infrastructural framework conditions for research and innovation developed and/or implemented	Number	7.00	Monitoring system	yearly
P04	Number of strategies for increasing competences of employees in the business sector and strengthening entrepreneurial spirit developed and or/implemented.	Number	13.00	Monitoring system	yearly
P05	Number of tools for increasing competences of employees in the business sector and strengthening entrepreneurial spirit developed and or/implemented	Number	26.00	Monitoring system	yearly
P06	Number of pilot actions for increasing competences of	Number	7.00	Monitoring system	yearly

<b>Investment priority</b>	1b - Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies				
<b>ID</b>	<b>Indicator</b>	<b>Measurement unit</b>	<b>Target value (2023)</b>	<b>Source of data</b>	<b>Frequency of reporting</b>
	employees in the business sector and strengthening entrepreneurial spirit developed and or/implemented				
P07	No. of documented learning interactions in finalised operations	Number	81.00	Monitoring system	yearly

## 2.A.7 Performance framework

**Table 5: Performance framework of the priority axis**

Priority axis		1 - Innovative and socially responsible Danube region					
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data	Explanation of relevance of indicator, where appropriate
FI1	F	Total amount of eligible expenditure certified to EC for priority axis 1	EUR	2,063,929	72,826,617.00	CA	The financial indicators included in the performance framework, namely "Total amount of eligible expenditure entered into the accounting system of the certifying authority and certified by the authority" for the respective priority axis, are directly linked to the information included in the CP Section 3 (Financing Plan). The values for milestones of 2018 are ensuring that the n+3 target of 2018 according to annual commitments for ERDF and IPA included in section 3.1 of the CP can be reached.
KIS	I	Number of documented learning interactions (in approved applications)	Number	17	81.00	MA (monitoring system)	The key implementation step corresponds to the number of documented interactions in the approved applications. It is expected that every project in the priority develops and documents at least three learning interactions. It is expected that several project partners and, if relevant, also external organisations will be involved in the learning interaction. The indicator will count the number of joint documented learning interactions and not the

Priority axis		1 - Innovative and socially responsible Danube region					
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data	Explanation of relevance of indicator, where appropriate
							number of individual partners involved.
P07	O	No. of documented learning interactions in finalised operations	Number	0	81.00	MA (monitoring system)	Indicator will be measured based on final reports of projects. The output indicator relates to 60% of the financial allocation to the priority as every project in the priority is expected to develop and document three joint learning experiences.

### Additional qualitative information on the establishment of the performance framework

#### 2.A.8 Categories of intervention

Categories of intervention corresponding to the content of the priority axis, based on a nomenclature adopted by the Commission, and indicative breakdown of Union support

#### Tables 6-9: Categories of intervention

**Table 6: Dimension 1 Intervention field**

Priority axis	1 - Innovative and socially responsible Danube region	
	Code	Amount (€)
	060. Research and innovation activities in public research centres and centres of competence including networking	3,095,130.00
	062. Technology transfer and university-enterprise cooperation primarily benefiting SMEs	9,285,394.00
	063. Cluster support and business networks primarily benefiting SMEs	3,095,132.00
	065. Research and innovation infrastructure, processes, technology transfer and cooperation in enterprises focusing on the low carbon economy and on resilience to climate change	6,190,262.00

Priority axis	1 - Innovative and socially responsible Danube region	
067. SME business development, support to entrepreneurship and incubation (including support to spin offs and spin outs)		9,285,394.00
117. Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences		15,475,656.00
118. Improving the labour market relevance of education and training systems, facilitating the transition from education to work, and strengthening vocational education and training systems and their quality, including through mechanisms for skills anticipation, adaptation of curricula and the establishment and development of work-based learning systems, including dual learning systems and apprenticeship schemes		15,475,656.00

**Table 7: Dimension 2 Form of finance**

Priority axis	1 - Innovative and socially responsible Danube region	
	Code	Amount (€)
01. Non-repayable grant		61,902,624.00

**Table 8: Dimension 3 Territory type**

Priority axis	1 - Innovative and socially responsible Danube region	
	Code	Amount (€)
07. Not applicable		61,902,624.00

**Table 9: Dimension 6 Territorial delivery mechanisms**

Priority axis	1 - Innovative and socially responsible Danube region	
	Code	Amount (€)

<b>Priority axis</b>	<b>1 - Innovative and socially responsible Danube region</b>	
	<b>Code</b>	<b>Amount (€)</b>
07. Not applicable		61,902,624.00

**2.A.9 A summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries and, where necessary, actions to enhance the administrative capacity of relevant partners to participate in the implementation of programmes (where appropriate)**

<b>Priority axis:</b>	<b>1 - Innovative and socially responsible Danube region</b>	
Not applicable		

### 2.A.1 Priority axis

<b>ID of the priority axis</b>	2
<b>Title of the priority axis</b>	Environment and culture responsible Danube region

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development

### 2.A.2 Justification for the establishment of a priority axis covering more than one thematic objective (where applicable)

Not applicable

### 2.A.3 Fund and calculation basis for Union support

<b>Fund</b>	<b>Calculation basis (total eligible expenditure or eligible public expenditure)</b>
ERDF	Total
IPAE	Total

### 2.A.4 Investment priority

<b>ID of the investment priority</b>	6b
<b>Title of the investment priority</b>	Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements



## 2.A.5 Specific objectives corresponding to the investment priority and expected results

ID of the specific objective	2.1
Title of the specific objective	Strengthen transnational water management and flood risk prevention (short title). Strengthen joint and integrated approaches to further develop and implement River Basin Management Plans in the Partner States in line with the overall Danube River Basin Management Plan in order to improve transnational water management and flood risk prevention contributing to the sustainable provision of ecosystem services.
Results that the Member States seek to achieve with Union support	<p>Investments to creating and/or maintaining ecological corridors (for instance along major river systems) as it is planned under the Specific Objective 2.2 is directly interlinked with water management and the control of environmental risk factors such as climate change and flood risks.</p> <p>Accordingly the cooperation programme targets investment in green infrastructure (which contributes to protecting and restoring biodiversity and the provision of ecosystem services) in an <b>integrated way</b> with the protection against floods and increase of water quality and availability.</p> <p>The EU water policy is largely based on the Water Framework Directive that includes the key element of the River Basin Management Plans (RBMPs). They are a detailed account of how the objectives set for the river basin (ecological status, quantitative status, chemical status and protected area objectives) are to be reached within the timescale required.</p> <p>Hence the RBMP's provide the overall context for water management in the Danube region including gaps, measures and objectives. In this respect the investments of the cooperation programme should take place within the context of the relevant RBMPs.</p> <p>The River Basin Management Plans guide the way to achieving at least good status for all waters of the Danube River Basin. In the Danube region, all countries (including non-EU member countries) have been working on their national management plans. As these plans need to be established for each river basin (national RBM Plans), the countries are also cooperating on the international level to discuss and agree on the transboundary aspect of the management of the water resources. To further protect and enhance the status of all waters and to ensure the sustainable, long-term use of water resources more effective coordination and cooperation on the transnational level and joint efforts of existing bodies are necessary.</p> <p>Furthermore based on the EU Floods Directive and in response to the frequent danger of flooding in the Danube river basin (2002, 2005, 2006, 2009, 2010 and 2013) a Flood risk management plan has to be developed which is strongly interlinked</p>

<b>ID of the specific objective</b>	2.1
<b>Title of the specific objective</b>	Strengthen transnational water management and flood risk prevention (short title). Strengthen joint and integrated approaches to further develop and implement River Basin Management Plans in the Partner States in line with the overall Danube River Basin Management Plan in order to improve transnational water management and flood risk prevention contributing to the sustainable provision of ecosystem services.
	<p>with the River Basin Management Plans.</p> <p>Accordingly joint plans for water management and flood protection are key tools for the adaptation of the water sector to climate change, including the issue of water scarcity and droughts.</p> <p>With the forthcoming planning period all tools for the creation of a new and updated generation of joint plans for water management and flood protection under a common umbrella have to be prepared which is a major challenge for all partner regions.</p> <p>Transnational action can serve to tackle poor governance and knowledge gaps in the development of integrated water management and flood protection plans. It can for instance provide data and evidence base for these plans and harmonise national actions and measures.</p> <p>Overall, the main envisaged results are:</p> <ul style="list-style-type: none"> <li>· Better integrated plans and developed solutions to further protect and enhance the status of all waters and to ensure the sustainable, long-term use of water resources in the Danube region well-coordinated with sound flood risk management.</li> </ul> <p>A description of the type and examples of actions to be supported is given in a separate section (according to the model for cooperation programmes).</p>

**Table 3: Programme-specific result indicators** (by specific objective)

<b>Specific objective</b>	<b>2.1 - Strengthen transnational water management and flood risk prevention (short title). Strengthen joint and integrated approaches to further develop and implement River Basin Management Plans in the Partner States in line with the overall Danube River Basin Management Plan in order to improve transnational water management and flood risk prevention contributing to the sustainable provision of ecosystem services.</b>
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ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
2.1	Intensity of cooperation of key actors in the programme area in order to improve transnational water management and flood risk prevention (survey based composite indicator)	Semi-quantitative scale	3.76	2014	Increasing level of cooperation (qualitative target)	Survey among selected key actors in the field of water management and flood risk prevention	2018, 2020, 2023

## 2.A.6 Actions to be supported under the investment priority (by investment priority)

### 2.A.6.1 A description of the type and examples of actions to be supported and their expected contribution to the specific objectives, including, where appropriate, identification of the main target groups, specific territories targeted and types of beneficiaries

<b>Investment priority</b>	6b - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
<p>In accordance with the SFC2014 model, the following part provides an overview of the types of actions planned to be supported by the cooperation programme. This overview is complemented by indicative thematic examples.</p> <p><b>The following types of action may be financed under the investment priority 6b</b></p> <p>Development of common orientations, frameworks and strategies, development and practical implementation of transnational tools and services, preparation of transnational investments, pilot activities including small-scale investments, development and practical implementation of training and capacity building, accompanying information, dissemination and publicity measures (see section 1.1.1.12).</p> <p><b>The following <u>indicative</u> examples of action may be considered to contribute to specific objective No 2.1 Strengthen transnational water management and flood risk prevention</b></p> <ul style="list-style-type: none"> <li>· Raise awareness on the implementation of the most appropriate techniques and environmental practices including the further improvement of waste water treatment efficiency and treatment level.</li> <li>· Better integrate policies for the reduction of the total amount of pollution (e.g. nutrients and hazardous substances) entering the Danube river basin.</li> </ul>	

<b>Investment priority</b>	6b - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
<p>Joint monitoring of ecological and chemical status and joint development of measures to improve water quality and ecological status.</p> <ul style="list-style-type: none"> <li>· Better integrate policies to prevent deterioration of groundwater quality and the concentrations of pollutants in groundwater. Contribute to sound groundwater management and over abstraction of groundwater-bodies (including improved monitoring of water resource balances in quantity and quality).</li> <li>· Mitigate conflicts of interest and develop innovative measures and improved coordination and dialogue between the users of water or other resources, e.g. farmers and other water users.</li> <li>· Encourage more effective information sharing, mutual learning and a sustainable approach to managing the risks of floods to protect human life and property while encouraging conservation and improvement of water related ecosystems.</li> <li>· Contribute to the common transboundary implementation of the Flood directive (joint flood monitoring and alert systems) by better integrated and more effective, informative flood forecasting (going beyond projects supported in the previous periods), coordination of the operation of hydraulic structures, exchange of flood protection techniques, technologies and experiences, harmonisation of operative flood protection methods.</li> <li>· Contribute to proper fluvial and sediment management to track sediment transport and morphological changes along the the river system.</li> <li>· Build awareness for joint action and facilitate the exchange of good practice (e.g. communication to the public and specific target groups)</li> <li>· Develop and implement education, training and capacity building to support sound water management.</li> </ul> <p><i>These indicative actions are just examples of actions which may be performed within the projects. The projects are expected to be developed comprehensively enough so as to combine more actions and not be merely built around one of them exclusively.</i></p> <p>1.1.1.1 Main target groups and types of beneficiaries supported under the investment priority</p> <p>The main target groups are public and private actors who benefit from transnational achievements such as policy integration, knowledge transfer and capacity building, concrete solutions in the fields of green infrastructure development, water management and flood risk prevention and disaster risk management.</p>	

<b>Investment priority</b>	6b - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
<p>Beneficiaries are according to their <b>legal form</b> local, regional and national public authorities/institutions, bodies governed by public law, EGTC, international organisations and private bodies.</p> <p>Beneficiaries comprise according to their <b>thematic scope</b> among others local, regional and national public authorities and organisations established and managed by public authorities responsible for environmental issues, infrastructure and (public) service providers (e.g. for water supply), interest groups including NGOs (e.g. international organisation, environmental organisations, voluntary association, etc.), research and development institutions, universities with research facilities, higher education, education/training centre and school.</p> <p>1.1.1.2 Specific territories targeted under the investment priority</p> <p>No specific focus areas are defined. The entire programme area is eligible.</p>	

#### ***2.A.6.2 Guiding principles for the selection of operations***

<b>Investment priority</b>	6b - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
<p>The selection of operations will be carried out in accordance with Article 12 of the ETC Regulation (EU) No 1299/2013. The guiding principles for project selection are described in section 5.3.3 of the cooperation programme and are not repeated here. The detailed assessment criteria will be laid down and made available to potential applicants in the Programme Manual and in the call-specific Application Packages.</p>	

#### ***2.A.6.3 Planned use of financial instruments (where appropriate)***

<b>Investment priority</b>	6b - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
n.a.	

#### 2.A.6.4 Planned use of major projects (where appropriate)

<b>Investment priority</b>	6b - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements
n.a.	

#### 2.A.6.5 Output indicators (by investment priority)

**Table 4: Common and programme-specific output indicators**

<b>Investment priority</b>	6b - Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements				
<b>ID</b>	<b>Indicator</b>	<b>Measurement unit</b>	<b>Target value (2023)</b>	<b>Source of data</b>	<b>Frequency of reporting</b>
P07	No. of documented learning interactions in finalised operations	Number	15.00	Monitoring system	yearly
P08	Number of strategies for improving transnational water management and flood risk prevention developed and/or implemented	Number	5.00	Monitoring system	yearly
P09	Number of tools for improving transnational water management and flood risk prevention developed and/or implemented	Number	10.00	Monitoring system	yearly
P10	Number of pilot actions for improving transnational water management and flood risk prevention developed and/or implemented	Number	3.00	Monitoring system	yearly

## 2.A.4 Investment priority

<b>ID of the investment priority</b>	6c
<b>Title of the investment priority</b>	Conserving, protecting, promoting and developing natural and cultural heritage

## 2.A.5 Specific objectives corresponding to the investment priority and expected results

<b>ID of the specific objective</b>	2.2
<b>Title of the specific objective</b>	Foster sustainable use of natural and cultural heritage and resources (short title). Strengthen joint and integrated approaches to preserve and manage the diversity of natural and cultural heritage and resources in the Danube region as a basis for sustainable development and growth strategies.
<b>Results that the Member States seek to achieve with Union support</b>	<p>The strengthening of governance and capacity development for the sustainable use and valorisation of the very rich and diverse natural and cultural heritage and resources of the Danube region is a major challenge for the most parts of the programme area as illustrated in the analysis chapter. A right balance between conservation, protection and advancement has to be developed.</p> <p>The attractiveness of the Danube region as a tourist destination is given by cultural heritages as well as attractive landscapes. One of the most important criteria for the development of tourism should be sustainability.</p> <p>Sustainable tourism development in the entire Danube region is a must and should integrate the experiences of the Western European countries on the upper Danube regarding the importance of a good balance between tourism, environment protection and economic growth.</p> <p>In this respect, tourism development and the protection of cultural heritage is an opportunity to promote transnational cooperation between states, regions and communities and can thereby be an important tool for the integration of countries in the Danube region. It also helps in establishing tourism products on a sustainable basis, focusing for example on nature, culture, rural areas, viticulture, cycling, river tours and cruises.</p> <p>Cooperation is a central requirement for sustainable planning and the development of destinations. An important role in the application of the tourism policy for the Danube region could be taken over by existing actors and networks that are based on cooperation.</p> <p>Common approaches for the protection and sustainable use of natural and cultural heritage as well as resources are determined</p>

<b>ID of the specific objective</b>	2.2
<b>Title of the specific objective</b>	Foster sustainable use of natural and cultural heritage and resources (short title). Strengthen joint and integrated approaches to preserve and manage the diversity of natural and cultural heritage and resources in the Danube region as a basis for sustainable development and growth strategies.
	<p>by the implementation of common strategies. These strategies can be considered as key factors to ensure sustainable development and to avoid usage conflicts (e.g. with natural resource consumption).</p> <p>Transnational cooperation can be an important asset when developing common orientations, frameworks and tools for the exchange of knowledge and experience among regions. The programme should bring together different stakeholders dealing with the protection of natural and cultural heritage/resources and with wider development strategies in order to develop joint and integrated approaches.</p> <p>Overall, the main envisaged results are:</p> <ul style="list-style-type: none"> <li>· Improved frameworks, capacities and solutions for sustainable tourism development in the Danube region based on protection and sustainable use of natural and cultural heritage and resources, reduction of resource and energy consumption and sustainable mobility management in order to reap multiple benefits in terms of economic development, environmental protection and quality of life.</li> <li>· Improved strategies and tools for sustainable use of cultural and natural heritage and resources for regional development in order to avoid or limit use conflicts (e.g. with tourism, natural resource consumption).</li> </ul> <p>Investments in the renovation of historical buildings, sites, monuments should only be supported if they are part of a broader development strategy and linked to sustainable growth. The programme cannot replace national budgets in terms of maintenance of cultural heritage.</p>

**Table 3: Programme-specific result indicators** (by specific objective)

<b>Specific objective</b>	<b>2.2 - Foster sustainable use of natural and cultural heritage and resources (short title). Strengthen joint and integrated approaches to preserve and manage the diversity of natural and cultural heritage and resources in the Danube region as a basis for sustainable development and growth strategies.</b>
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ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
2.2	Intensity of cooperation of key actors in the programme area in order to strengthen sustainable use of natural and cultural heritage and resources (survey based composite indicator)	Semi-quantitative scale	Established through a survey among selected key actors	2014	Increasing intensity (qualitative target)	Survey among selected key actors in the field of sustainable tourism and natural resource management	2018, 2020, 2023

## 2.A.6 Actions to be supported under the investment priority (by investment priority)

### 2.A.6.1 A description of the type and examples of actions to be supported and their expected contribution to the specific objectives, including, where appropriate, identification of the main target groups, specific territories targeted and types of beneficiaries

Investment priority	6c - Conserving, protecting, promoting and developing natural and cultural heritage
<p>In accordance with the SFC2014 model, the following part provides an overview of <b>the types of actions</b> planned to be supported by the cooperation programme. This overview is complemented by <b>indicative thematic examples</b>.</p> <p><b>The following types of action may be financed under the investment priority 6c</b></p> <p>Development of common orientations, frameworks and strategies, development and practical implementation of transnational tools and services, preparation of transnational investments, pilot activities including small-scale investments, development and practical implementation of training and capacity building, accompanying information, dissemination and publicity measures (see section 1.1.1.12)</p> <p><b>The following <u>indicative</u> examples of action may be considered to contribute to specific objective No 2.2 Foster sustainable use of natural and cultural heritage and resources</b></p> <ul style="list-style-type: none"> <li>Improve frameworks and develop joint and integrated solutions for sustainable tourism (“green tourism”), leisure and culture e.g. in the areas of eco-tourism (e.g. sustainable tourist activities in national parks and nature reserves, geo-parks), cycle tourism, agro-tourism, development of new and existing Cultural Routes relevant in the Danube Region, theme paths and joint products with a critical mass and embedded in wider development and growth</li> </ul>	

<b>Investment priority</b>	6c - Conserving, protecting, promoting and developing natural and cultural heritage
<p>strategies which contribute to sustainable jobs and growth.</p> <ul style="list-style-type: none"> <li>· Implement common strategies to develop common approaches for the protection and sustainable use of natural and cultural heritage and secure resources; support the development of broad partnership networks incorporating different programmes, central, regional and local administrations and non-governmental organisations, business support centres and mobility networks.</li> <li>· Ensure the sustainable preservation of cultural heritage by developing relevant clusters and networks of heritage sites, museums, interpretation and visitor centres within the Danube region and support the implementation of joint strategies.</li> <li>· Coordinate strategies and development plans at regional and/or local level in order to achieve a critical mass, economic impact and visibility beyond the local level. A right balance between conservation, protection of natural heritage and resources and promotion and development has to be developed. The cooperation programme doesn't support a one dimensional economic exploitation of natural heritage and resources. The programme should bring together different stakeholders dealing with the protection of natural and cultural heritage/resources and with wider development strategies in order to develop joint and integrated approaches.</li> <li>· Strive for the reduction of energy consumption and CO2 emissions and resources consumption (e.g. water) through increased use of renewable energy sources and energy and resource efficiency measures as an integrated aspect of sustainable tourism development.</li> <li>· Improve frameworks and develop joint and integrated solutions to sustainable mobility management (e.g. by public transport) as integrated part of destination management and marketing of tourist products. In particular in rural and more peripheral regions the improvement of sustainable transport facilities is a basic asset to support sustainable tourism development. Mobility management may be supported under investment priority 6c only as integrated part of sustainable tourism development. No separate category of intervention related to transport is foreseen under 6c and it is not planned to support hard transport infrastructure under 6c.</li> <li>· Develop and implement education, training and capacity building to support quality tourism, eco-tourism and environmental transport solutions.</li> <li>· Support activities in the fields of multiculturalism, cultural exchange and the establishment of connections on field of creative industry in order to increase cultural diversity. Raise the awareness on the benefits of cultural diversity in the Danube Region.</li> <li>· Support joint strategies for the management and protection of natural resources in close interaction with nature conservation areas and cultural</li> </ul>	

<b>Investment priority</b>	6c - Conserving, protecting, promoting and developing natural and cultural heritage
<p>heritage.</p> <ul style="list-style-type: none"> <li>· Support risk management plans for cultural and natural heritage sites exposed to climate change as part of sustainable tourism development.</li> </ul> <p><i>These indicative actions are just examples of actions which may be performed within the projects. The projects are expected to be developed comprehensively enough so as to combine more actions and not be merely built around one of them exclusively.</i></p> <p>2.2.3.3 Main target groups and types of beneficiaries supported under the investment priority</p> <p>The main target groups are public and private actors who benefit from transnational achievements such as policy integration, knowledge transfer and capacity building, concrete solutions in the fields of sustainable tourism, leisure, culture and management and protection of natural resources.</p> <p>Beneficiaries are according to their <b>legal form</b> local, regional and national public authorities/institutions, bodies governed by public law, EGTC, international organisations and private bodies.</p> <p>Beneficiaries comprise according to their thematic scope among others local, regional and national public authorities and organisations established and managed by public authorities responsible for environmental, tourist and cultural issues, sectoral agencies, regional development agencies, tourist operators, tourist information centres (points), regional tourism boards and museums, research and development institutions, universities with research facilities, business support organisation (e.g. chamber of commerce, business innovations centres), higher education, education/training centre and school, NGOs, private enterprises including SME.</p> <p>2.2.3.4 Specific territories targeted under the investment priority</p> <p>No specific focus areas are defined. The entire programme area is eligible.</p>	

**2.A.6.2 Guiding principles for the selection of operations**

<b>Investment priority</b>	6c - Conserving, protecting, promoting and developing natural and cultural heritage
The selection of operations will be carried out in accordance with Article 12 of the ETC Regulation (EU) No 1299/2013. The guiding principles for project selection are described in section 5.3.3 of the cooperation programme and are not repeated here. The detailed assessment criteria will be laid down and made available to potential applicants in the Programme Manual and in the call-specific Application Packages.	

#### 2.A.6.3 Planned use of financial instruments (where appropriate)

<b>Investment priority</b>	6c - Conserving, protecting, promoting and developing natural and cultural heritage
Not applicable	

#### 2.A.6.4 Planned use of major projects (where appropriate)

<b>Investment priority</b>	6c - Conserving, protecting, promoting and developing natural and cultural heritage
Not applicable	

#### 2.A.6.5 Output indicators (by investment priority)

**Table 4: Common and programme-specific output indicators**

<b>Investment priority</b>	6c - Conserving, protecting, promoting and developing natural and cultural heritage				
<b>ID</b>	<b>Indicator</b>	<b>Measurement unit</b>	<b>Target value (2023)</b>	<b>Source of data</b>	<b>Frequency of reporting</b>
P07	No. of documented learning interactions in finalised operations	Number	42.00	Monitoring system	yearly

Investment priority		6c - Conserving, protecting, promoting and developing natural and cultural heritage			
ID	Indicator	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
P11	Number of strategies for preserving and management of natural and cultural heritage and resources developed and/or implemented	Number	14.00	Monitoring system	yearly
P12	Number of tools for preserving and management of natural and cultural heritage and resources developed and/or implemented	Number	28.00	Monitoring system	yearly
P13	Number of pilot actions for preserving and management of natural and cultural heritage and resources developed and/or implemented	Number	7.00	Monitoring system	yearly

#### 2.A.4 Investment priority

<b>ID of the investment priority</b>	6d
<b>Title of the investment priority</b>	Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure

#### 2.A.5 Specific objectives corresponding to the investment priority and expected results

<b>ID of the specific objective</b>	2.3
<b>Title of the specific objective</b>	Foster the restoration and management of ecological corridors (short title). Strengthen effective approaches to preservation, restoring and management of bio-corridors and wetlands of transnational relevance to contribute to the better conservation status of ecosystems of European relevance.
<b>Results that the Member States seek to achieve with Union support</b>	<p>Against the background that only a small proportion of the habitats and species of Community interest (e.g. Natura 2000 areas) are in a favourable conservation status in the Danube region the programme pursues an integrated approach to tackle common challenges in green infrastructure development in combination with risk management and climate change adaption.</p> <p>Transnational action programme can contribute – in line with the EU strategy for Green Infrastructures (2013) – to improved interlinking of natural habitats which is of great importance for the sustainment of a functional ecological network.</p> <p>Preserving wildlife corridors ranks among the most important strategies to preserve biodiversity, which enlarges the strategy for the conservation of explicitly protected areas. Interlinking of natural habitats and wildlife corridors by reduction of barriers (e.g. through “green bridges” over transport infrastructures), improvement of land and water management and nature</p>

<b>ID of the specific objective</b>	2.3
<b>Title of the specific objective</b>	Foster the restoration and management of ecological corridors (short title). Strengthen effective approaches to preservation, restoring and management of bio-corridors and wetlands of transnational relevance to contribute to the better conservation status of ecosystems of European relevance.
	<p>protection; improvement of spatial planning and of the policy framework.</p> <p>The focus should be on bio-corridors with transnational relevance such as Mura-Drava-Danube Transboundary Biosphere reserve, habitat conditions along the Danube River and its tributaries and other key green infrastructures including e.g. the Danube Delta. Support should target protected areas and their relevant adjacent areas in the whole Danube region.</p> <p>Overall, the main envisaged results are:</p> <ul style="list-style-type: none"> <li>· Improved strategic frameworks and developed concrete solutions to restore, conserve and improve a network of green infrastructures/ bio-corridors in the Danube region consisting of natural and semi-natural habitats to help reduce the fragmentation of ecosystems and improving the connectivity between sites in the Natura 2000 network in order to ensure biodiversity.</li> </ul> <p>This could be achieved through improving the knowledge base and build up a consistent and reliable data information sources, restoration and revitalisation of sensible landscapes and rivers, integrated management of habitats, protection and re-colonisation of endogenous species, control of invasive species, raising awareness on sustainable land use and soil protection, mitigating the negative effects of land uptake and fragmentation. Last but not least promoting of awareness-raising and environmental education can be part of wider project action.</p>
<b>ID of the specific objective</b>	2.4
<b>Title of the specific objective</b>	Improve preparedness for environmental risk management (short title). Establish and develop a more effective governance system for environmental protection addressing emergency situations and improve the preparedness of public authorities and civil protection organisation contributing to the reduction of risks and impact on ecosystem services, biodiversity and human health.
<b>Results that the Member States seek to achieve with Union support</b>	Risk <u>prevention</u> policies are addressed under the specific objectives 2.1 and 2.3 whereas specific objective 2.4 is targeting environmental risk management policies and strategies related to risks that are caused by non-functioning ecosystems and man-made actions and other risk factors are endangering the human and natural habitats of the region.

<b>ID of the specific objective</b>	2.3
<b>Title of the specific objective</b>	Foster the restoration and management of ecological corridors (short title). Strengthen effective approaches to preservation, restoring and management of bio-corridors and wetlands of transnational relevance to contribute to the better conservation status of ecosystems of European relevance.
	<p>Disaster prevention/management is largely related to security and emergency issues which are mainly in the hands of public authorities at all levels. Furthermore civil protection organisation based on volunteers form the backbone of disaster management.</p> <p>An important function of a cooperation programme is to facilitate professional emergency response services at all level in order to respond to major national and international emergencies. Institutional and technical capacity for emergency situations should be strengthened through collaborative solutions between different authorities. Good practice related to the delivery of public services should be promoted and exchange of experience/networking of public and private entities providing public services, encouraged. This should lead to the development of modern management systems and tools.</p> <p>Investing in prevention and preparedness should complement Member State and Commissions initiatives (e.g. by DG Humanitarian Aid and Civil Protection) in disaster prevention.</p> <p>Cooperation across regions and Member States should deal with transnational spill over effects, in particular in relation to flood protection, forests fires, droughts and water scarcity and other manmade risks with impact across regions.</p> <p>The programme should target the whole disaster management cycle (response-recovery-mitigation-preparedness) cycle in which the prevention policies have a high priority. Mutual capacity-building and knowledge transfer should be the guiding principle of this specific objective.</p> <p>The disaster risk assessment should both cover single-risk and multi-risks as it is important to analyse the negative synergies of the natural disasters. Looking at and simulating cascading effects will help Danube region authorities and stakeholders to better understand the nature and the aggregate impacts of disasters.</p> <p>Overall, the main envisaged results are:</p> <ul style="list-style-type: none"> <li>· Improved strategic and operational cooperation and interoperability among the emergency response authorities and stakeholders at all levels in the Danube countries. This includes the development of joint strategies and action plans for more</li> </ul>

<b>ID of the specific objective</b>	2.3
<b>Title of the specific objective</b>	Foster the restoration and management of ecological corridors (short title). Strengthen effective approaches to preservation, restoring and management of bio-corridors and wetlands of transnational relevance to contribute to the better conservation status of ecosystems of European relevance.
	<p>effective management of natural and manmade disasters; building up a common knowledge base and data observation capacities, and mechanisms for the exchange of information; joint development of tools, development and practical implementation of education, training and capacity building.</p> <p>A description of the type and examples of actions to be supported is given in a separate section (according to the model for cooperation programmes).</p>

**Table 3: Programme-specific result indicators** (by specific objective)

<b>Specific objective</b>		<b>2.3 - Foster the restoration and management of ecological corridors (short title). Strengthen effective approaches to preservation, restoring and management of bio-corridors and wetlands of transnational relevance to contribute to the better conservation status of ecosystems of European relevance.</b>					
<b>ID</b>	<b>Indicator</b>	<b>Measurement unit</b>	<b>Baseline value</b>	<b>Baseline year</b>	<b>Target value (2023)</b>	<b>Source of data</b>	<b>Frequency of reporting</b>
2.3	Intensity of cooperation of key actors in the programme area in order to foster restoration and management of ecological corridors (survey based composite indicator)	Semi-quantitative scale	3.55	2014	Increasing level of cooperation (qualitative target)	Survey among selected key actors in the field of nature protection/ environmental authorities	2018, 2020, 2023

<b>Specific objective</b>		<b>2.4 - Improve preparedness for environmental risk management (short title). Establish and develop a more effective governance system for environmental protection addressing emergency situations and improve the preparedness of public authorities and civil protection organisation contributing to the reduction of risks and impact on ecosystem services, biodiversity and human health.</b>					
<b>ID</b>	<b>Indicator</b>	<b>Measurement unit</b>	<b>Baseline value</b>	<b>Baseline year</b>	<b>Target value (2023)</b>	<b>Source of data</b>	<b>Frequency of reporting</b>
2.4	Intensity of cooperation of key actors in the programme area in order to improve preparedness	Semi-quantitative scale	3.65	2014	Increasing level of cooperation (qualitative)	Survey among selected key actors in the field of	2018, 2020, 2023



Specific objective		2.4 - Improve preparedness for environmental risk management (short title). Establish and develop a more effective governance system for environmental protection addressing emergency situations and improve the preparedness of public authorities and civil protection organisation contributing to the reduction of risks and impact on ecosystem services, biodiversity and human health.					
ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
	for environmental risk management (survey based composite indicator)				target)	risk management	

## 2.A.6 Actions to be supported under the investment priority (by investment priority)

### 2.A.6.1 A description of the type and examples of actions to be supported and their expected contribution to the specific objectives, including, where appropriate, identification of the main target groups, specific territories targeted and types of beneficiaries

Investment priority	6d - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure
<p>In accordance with the SFC2014 model, the following part provides an overview of the types of actions planned to be supported by the cooperation programme. This overview is complemented by indicative thematic examples.</p> <p><b>The following types of action may be financed under the investment priority 6d</b></p> <p>Development of common orientations, frameworks and strategies, development and practical implementation of transnational tools and services, preparation of transnational investments, pilot activities including small-scale investments, development and practical implementation of training and capacity building, accompanying information, dissemination and publicity measures (see section 1.1.1.12).</p> <p><b>The following <u>indicative</u> examples of action may be considered to contribute to specific objective No 2.3 Foster the restoration and management of ecological corridors</b></p> <ul style="list-style-type: none"> <li>Support strategic frameworks and develop concrete solutions to restore, conserve and improve a network of green infrastructures/ bio-corridors of transnational relevance in the Danube region consisting of natural and semi-natural habitats to help reduce the fragmentation of ecosystems and improving the connectivity between sites in the Natura 2000 network.</li> </ul>	

<b>Investment priority</b>	6d - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure
<ul style="list-style-type: none"> <li>· Improve the knowledge base and build up consistent and reliable data information sources: Support joint accompanying research and evaluation activities including development of advanced tools for mapping, diagnosing, protecting and managing natural landscapes. Support joint efforts for improved mapping of ecosystems, monitoring of their changes, basic drivers, land use changes and their impact on biodiversity.</li> <li>· Promote interlinking of natural habitats and wildlife corridors through the reduction of barriers, re-connection of adjacent floodplains/wetlands, improvement of land and water management and nature protection; improvement of spatial planning and of the land use policies.</li> <li>· Support integrated management of habitats, the protection and repopulation of (flagship) species.</li> <li>· Promote an integrated approach to better coordinate environmental interest with flood protection and the further expansion of inland navigation and transport infrastructure by establishing multi-sectoral partnerships (stakeholder networks). Develop planning and pilot measures to harmonize flood protection and rehabilitation of river systems. Enhance effective visitor management of protected areas.</li> <li>· Promote awareness-raising and environmental education as part of wider project action.</li> <li>· Foster integrated approaches on soil protection and soil awareness.</li> <li>· Define and implement coordinated measures on management, control and eradication of invase alien species in the Danube Region</li> <li>· Strengthen the capacities and the networks of NGO's, stakeholders and authorities involved in preserving biodiversity and nature protection, fostering an inter-sectoral cooperation and awareness-building.</li> </ul> <p><i>These indicative actions are just examples of actions which may be performed within the projects. The projects are expected to be developed comprehensively enough so as to combine more actions and not be merely built around one of them exclusively.</i></p> <p><b>The following <u>indicative</u> examples of action may be considered to contribute to specific objective 2.4 Improve preparedness for disaster risk management</b></p> <ul style="list-style-type: none"> <li>· Development of joint strategies and action plans for risk management: strengthening the operational cooperation and interoperability among emergency response authorities in the Danube countries; improvement of professional emergency response strategies, plans (including health impact assessment of disaster- related risks) and capacities at local and national level in order to respond to major national and international emergencies,</li> </ul>	

<b>Investment priority</b>	6d - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure
<p>including transnational cooperation in the framework of the Danube region.</p> <ul style="list-style-type: none"> <li>· Building up a common knowledge base and data observation capacities, and mechanisms for the exchange of information, e.g. support risk mapping and updating the existing database of accident risk spots, contaminated sites and sites used for the storage of dangerous substances; coordination of documentation of natural hazard events and consequences.</li> <li>· Joint efforts in making future scenarios for risk management, develop integrated actions addressing these consequences; establishment of accompanying discussion platforms on the topic of climate adaptation and disaster risk reduction in the Danube region.</li> <li>· Joint development of tools, e.g. developing modern management systems and tools for increasing performance in public institutions at all levels; developing a rapid response procedures and plans in case of industrial accidental river pollution; establishing standardized operational procedures for joint activities in case of trans boundary technical-technological water traffic accidents.</li> <li>· Development and practical implementation of education, training and capacity building to support sound risk management. Ensure training for specialist personnel in accordance with EU standards; educational programmes for emergency and disaster management officials.</li> <li>· As a specific issue cooperation may be improved to eliminate unconventional explosive and incendiary devices as well as hazardous ammunition and handling of dangerous goods and possible accidents involving hazardous ammunition.</li> </ul> <p><i>These indicative actions are just examples of actions which may be performed within the projects. The projects are expected to be developed comprehensively enough so as to combine more actions and not be merely built around one of them exclusively.</i></p> <p>2.2.4.3 Main target groups and types of beneficiaries supported under the investment priority</p> <p>The main target groups are public and private actors who benefit from transnational achievements such as policy integration, knowledge transfer and capacity building, concrete solutions in the fields of green infrastructure development, water management and flood risk prevention and disaster risk management.</p> <p>Beneficiaries are according to their <b>legal form</b> local, regional and national public authorities/institutions, bodies governed by public law, EGTC, international organisations and private bodies.</p>	

<b>Investment priority</b>	6d - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure
<p>Beneficiaries comprise according to their <b>thematic scope</b> among others local, regional and national public authorities and organisations established and managed by public authorities responsible for environmental issues, infrastructure and (public) service providers (e.g. for water supply), interest groups including NGOs (e.g. international organisation, environmental organisations, voluntary association, etc.), research and development institutions, universities with research facilities, higher education, education/training centre and school.</p> <p>2.2.4.4 Specific territories targeted under the investment priority</p> <p>No specific focus areas are defined. The entire programme area is eligible.</p>	

**2.A.6.2 Guiding principles for the selection of operations**

<b>Investment priority</b>	6d - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure
<p>The selection of operations will be carried out in accordance with Article 12 of the ETC Regulation (EU) No 1299/2013. The guiding principles for project selection are described in section 5.3.3 of the cooperation programme and are not repeated here. The detailed assessment criteria will be laid down and made available to potential applicants in the Programme Manual and in the call-specific Application Packages.</p>	

**2.A.6.3 Planned use of financial instruments (where appropriate)**

<b>Investment priority</b>	6d - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure
<p>Not applicable</p>	

#### 2.A.6.4 Planned use of major projects (where appropriate)

<b>Investment priority</b>	6d - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure
Not applicable	

#### 2.A.6.5 Output indicators (by investment priority)

**Table 4: Common and programme-specific output indicators**

<b>Investment priority</b>	6d - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure				
<b>ID</b>	<b>Indicator</b>	<b>Measurement unit</b>	<b>Target value (2023)</b>	<b>Source of data</b>	<b>Frequency of reporting</b>
P07	No. of documented learning interactions in finalised operations	Number	33.00	Monitoring system	yearly
P14	Number of strategies for strengthening approaches to preservation, restoring and management of bio-corridors and wetlands developed and/or implemented	Number	6.00	Monitoring system	yearly
P15	Number of tools for strengthening approaches to preservation, restoring and management of bio-corridors and wetlands developed and/or implemented	Number	12.00	Monitoring system	yearly
P16	Number of pilot actions for strengthening approaches to preservation, restoring and management of bio-corridors and wetlands developed and/or implemented	Number	3.00	Monitoring system	yearly
P17	Number of strategies for improved cooperation and interoperability among the emergency response authorities and stakeholders developed and/or implemented	Number	5.00	Monitoring system	yearly
P18	Number of tools for improved cooperation and interoperability among the emergency response authorities and stakeholders developed and/or	Number	10.00	Monitoring system	yearly

<b>Investment priority</b>		6d - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure			
<b>ID</b>	<b>Indicator</b>	<b>Measurement unit</b>	<b>Target value (2023)</b>	<b>Source of data</b>	<b>Frequency of reporting</b>
	implemented				
P19	Number of pilot actions for improved cooperation and interoperability among the emergency response authorities and stakeholders developed and/or implemented	Number	3.00	Monitoring system	yearly

## 2.A.7 Performance framework

**Table 5: Performance framework of the priority axis**

<b>Priority axis</b>		<b>2 - Environment and culture responsible Danube region</b>					
<b>ID</b>	<b>Indicator type</b>	<b>Indicator or key implementation step</b>	<b>Measurement unit, where appropriate</b>	<b>Milestone for 2018</b>	<b>Final target (2023)</b>	<b>Source of data</b>	<b>Explanation of relevance of indicator, where appropriate</b>
FI2	F	Total amount of eligible expenditure certified to EC for priority axis 2	EUR	2,358,777	83,230,421.00	CA	The financial indicators included in the performance framework, namely "Total amount of eligible expenditure entered into the accounting system of the certifying authority and certified by the authority" for the respective priority axis, are directly linked to the information included in the CP Section 3 (Financing Plan). The values for milestones of 2018 are ensuring that the n+3 target of 2018 according to annual commitments for ERDF and IPA included in section 3.1 of the CP can be reached.
KIS	I	Number of documented learning interactions (in approved applications)	Number	20	90.00	MA (monitoring system)	The key implementation step corresponds to the number of documented interactions in the approved applications. It is expected that every project in the priority develops and documents at least three learning interactions. It is expected that several project partners and, if relevant, also external organisations will be involved in the learning interaction. The indicator will count the number of joint documented learning interactions and not the number of individual partners involved.

Priority axis		2 - Environment and culture responsible Danube region					
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data	Explanation of relevance of indicator, where appropriate
P07	O	No. of documented learning interactions in finalised operations	Number	0	90.00	MA (monitoring system)	Indicator will be measured based on final reports of projects. The output indicator relates to 60% of the financial allocation to the priority as every project in the priority is expected to develop and document three joint learning experiences.

### Additional qualitative information on the establishment of the performance framework

#### 2.A.8 Categories of intervention

Categories of intervention corresponding to the content of the priority axis, based on a nomenclature adopted by the Commission, and indicative breakdown of Union support

#### Tables 6-9: Categories of intervention

Table 6: Dimension 1 Intervention field

Priority axis	2 - Environment and culture responsible Danube region	
	Code	Amount (€)
	021. Water management and drinking water conservation (including river basin management, water supply, specific climate change adaptation measures, district and consumer metering, charging systems and leak reduction)	12,535,282.00
	085. Protection and enhancement of biodiversity, nature protection and green infrastructure	6,262,113.00
	086. Protection, restoration and sustainable use of Natura 2000 sites	6,262,114.00
	087. Adaptation to climate change measures and prevention and management of climate related risks e.g. erosion, fires, flooding, storms and drought, including awareness raising, civil protection and disaster	6,262,113.00

Priority axis	2 - Environment and culture responsible Danube region	
	management systems and infrastructures	
088. Risk prevention and management of non-climate related natural risks (i.e. earthquakes) and risks linked to human activities (e.g. technological accidents), including awareness raising, civil protection and disaster management systems and infrastructures		6,262,114.00
091. Development and promotion of the tourism potential of natural areas		16,581,060.00
094. Protection, development and promotion of public cultural and heritage assets		8,290,530.00
095. Development and promotion of public cultural and heritage services		8,290,531.00

**Table 7: Dimension 2 Form of finance**

Priority axis	2 - Environment and culture responsible Danube region	
	Code	Amount (€)
01. Non-repayable grant		70,745,857.00

**Table 8: Dimension 3 Territory type**

Priority axis	2 - Environment and culture responsible Danube region	
	Code	Amount (€)
07. Not applicable		70,745,857.00

**Table 9: Dimension 6 Territorial delivery mechanisms**

Priority axis	2 - Environment and culture responsible Danube region	
	Code	Amount (€)
07. Not applicable		70,745,857.00



**2.A.9 A summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries and, where necessary, actions to enhance the administrative capacity of relevant partners to participate in the implementation of programmes (where appropriate)**

<b>Priority axis:</b>	<b>2 - Environment and culture responsible Danube region</b>
Not applicable	

### 2.A.1 Priority axis

<b>ID of the priority axis</b>	3
<b>Title of the priority axis</b>	Better connected and energy responsible Danube region

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development

### 2.A.2 Justification for the establishment of a priority axis covering more than one thematic objective (where applicable)

Not applicable

### 2.A.3 Fund and calculation basis for Union support

Fund	Calculation basis (total eligible expenditure or eligible public expenditure)
ERDF	Total
IPAE	Total

### 2.A.4 Investment priority

<b>ID of the investment priority</b>	7c
<b>Title of the investment priority</b>	Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility

## 2.A.5 Specific objectives corresponding to the investment priority and expected results

<b>ID of the specific objective</b>	3.1
<b>Title of the specific objective</b>	Support environmentally-friendly and safe transport systems and balanced accessibility of urban and rural areas (short title). Improve planning, coordination and practical solutions for an environmentally-friendly, low-carbon and safer transport network and services in the programme area contributing to a balanced accessibility of urban and rural areas.
<b>Results that the Member States seek to achieve with Union support</b>	<p>In general, there is a gap in transport infrastructure quality and safety from the western to the eastern countries of the Danube region. This is true for roads, railroads, ports and airports, with only a few exceptions. In addition to the existing problems, future development of transport brings about significant challenges for the region. It is expected that transport in the Danube region will increase over the next years. Economic growth has gone and will also in future go hand in hand with massive growth of transportation. The current trend is a massive growth of road transportation which increases energy consumption and environmental pollution.</p> <p>Transport policy is required to channel the growing demand into more environmentally-friendly low-carbon modes of transportation, e.g. more rail, inland waterways, modal integration, sustainable urban and rural mobility and intelligent transport. At the same time a balanced accessibility of urban and rural areas needs to be ensured.</p> <p>One of the distinctive features of the region in terms of transportation is the Danube River as an important part of Rhine-Danube TEN-T Corridor. The Danube river is underutilized and has a large potential to create sustainable transportation in the future. In principle waterborne transport has the potential to manage parts of the growing transport volume. However, the quality of the Danube river shipping and its ports as multimodal hubs needs vast improvements. But increasing ship traffic will increase local ecological problems of the Danube River and its surroundings. Therefore fully exploit the economic potential of the Danube River as transport route and at the same time keep its ecological balance intact poses a specific challenge.</p> <p>Besides the major pathways, the Danube Region faces important accessibility problems especially for the areas situated outside the designated corridors. The connectivity of these regions to the TEN-T networks (as one aspect amongst others) through the secondary and tertiary nodes is of special importance for ensuring the conditions for quality of life and economic growth in the area, especially in those regions affected by demographic change.</p> <p>Transnational action should complement (and not duplicate) initiatives on the part of the policy coordination at EU level and by the EUSDR Priority Areas 1a and 1b and envisages the following results:</p>

<b>ID of the specific objective</b>	3.1
<b>Title of the specific objective</b>	Support environmentally-friendly and safe transport systems and balanced accessibility of urban and rural areas (short title). Improve planning, coordination and practical solutions for an environmentally-friendly, low-carbon and safer transport network and services in the programme area contributing to a balanced accessibility of urban and rural areas.
	<ul style="list-style-type: none"> <li>· Contribute to the development of a <b>better connected and interoperable</b> environmentally-friendly transport system.</li> <li>· Better integrated policies and practical solutions to further developing <b>waterways</b> while limiting negative impacts of the transport systems on the Danube ecosystem.</li> <li>· Improving coordination and transnational integration among transport stakeholders to further develop <b>multimodal hubs, terminals and links</b>.</li> <li>· Contribute to a <b>safer</b> transport network.</li> <li>· Contribute to a <b>better organisation</b> of public transport links and other sustainable modes of transport in functional urban and rural areas and contribute to a <b>better connectivity</b>.</li> </ul> <p>A description of the type and examples of actions to be supported is given in a separate section (according to the model for cooperation programmes). In general physical construction work is out of the scope of the cooperation programme. In specific cases small-scale fixed investments of testing or demonstration nature may be considered.</p>

**Table 3: Programme-specific result indicators** (by specific objective)

Specific objective		3.1 - Support environmentally-friendly and safe transport systems and balanced accessibility of urban and rural areas (short title). Improve planning, coordination and practical solutions for an environmentally-friendly, low-carbon and safer transport network and services in the programme area contributing to a balanced accessibility of urban and rural areas.					
ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
3.1	Intensity of cooperation of key actors in the programme area in order to strengthen	Semi-quantitative scale	4.05	2014	Increasing level of cooperation (qualitative target)	Survey among selected key actors linked to the field of transport	2018, 2020, 2023

Specific objective		3.1 - Support environmentally-friendly and safe transport systems and balanced accessibility of urban and rural areas (short title). Improve planning, coordination and practical solutions for an environmentally-friendly, low-carbon and safer transport network and services in the programme area contributing to a balanced accessibility of urban and rural areas.					
ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
	environmentally-friendly, safe and balanced transport systems (survey based composite indicator)						

## 2.A.6 Actions to be supported under the investment priority (by investment priority)

### 2.A.6.1 A description of the type and examples of actions to be supported and their expected contribution to the specific objectives, including, where appropriate, identification of the main target groups, specific territories targeted and types of beneficiaries

Investment priority	7c - Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility
<p>In accordance with the SFC2014 model, the following part provides an overview of the types of actions planned to be supported by the cooperation programme. This overview is complemented by indicative thematic examples.</p> <p><b>The following types of action may be financed under the investment priority 7c</b></p> <p>Development of common orientations, frameworks and strategies, development and practical implementation of transnational tools and services, preparation of transnational investments, pilot activities including small-scale investments, development and practical implementation of training and capacity building, accompanying information, dissemination and publicity measures (see section 1.1.1.12).</p> <p><b>The following <u>indicative</u> examples of action may be considered to contribute to specific objective No 3.1 Support environmentally-friendly and safe transport systems and balanced accessibility of urban and rural areas.</b></p> <ul style="list-style-type: none"> <li>· Contribute to the development of integrated transport frameworks and other joint coordination measures for the Danube region. Improving coordination and trans-nationally integration among transport stakeholders for better governance and management of environment-friendly transport</li> </ul>	

<b>Investment priority</b>	7c - Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility
<p>corridors. Establishing platforms which help to gather financing, planning and operating further emission reducing and energy efficient freight and passenger transport. Contribute through policy integration to building a comprehensive, mutually inter-connected transport system, i.e. connect the lower-level transport routes to the TEN-T system.</p> <ul style="list-style-type: none"> <li>· Contribute to better integrated policies and practical solutions to further develop waterways by exchanging and transferring know-how and good practice in the scope of waterway infrastructure, waterway maintenance and management, fleet modernisation or port (infrastructure) development.</li> <li>· Contribute to more effective information sharing, dialogue and integrated approaches to limit impacts of transport systems on the Danube ecosystem, taking into account the environmental legislation and promoting inter-sectoral cooperation, establishing more effective cooperation between waterway administrations and Protected Area administrations.</li> <li>· Improve coordination and transnational integration among transport stakeholders to further develop multimodal hubs, terminals and links; contribute to the development of efficient multimodal terminals at Danube river ports and dry ports to connect inland waterways with rail and road transport; exchange knowledge in port (hub) infrastructure development, identify of new markets and cargo flow, encourage modal shift from road to waterway (Danube), support the cooperation of multimodal terminals alongside the Danube; improve efficiency of cross-border movements of cargo on the external EU-borders by tackling administrative and fiscal barriers; harmonise technical, safety, legal, organisational and other aspects of transport modes and networks.</li> <li>· Water transport must respect the Water Framework Directive and the Danube River Basin Management Plan (DRBMP). Navigation projects shall take a due account of the Water Framework Directive requirements, and in particular Article 4(7) conditions, if relevant.</li> <li>· Contribute to a safer transport network by improving frameworks, developing concrete environmentally-friendly and sustainable transport solutions and providing the training, technology and reporting tools to build and sustain national, regional and local capabilities and share experience and knowledge of effective road safety programmes in the region.</li> <li>· Contribute to a better organisation of public transport links and other sustainable modes of transport in functional urban and rural areas. Exchanging and transferring know-how and good practice for better organisation of public transport links in functional areas (e.g. by transport associations), mobility management, on demand public transport, promoting cycle and pedestrian traffic, e-mobility, road safety including pilot investments. Support the preparation of investments in mobility centres and bus terminals. Highlight the topic of accessibility regarding rural areas.</li> </ul>	

<b>Investment priority</b>	7c - Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility
<ul style="list-style-type: none"> <li>· Encourage joint planning and development of urban, interurban and cross-border bicycle routes in the Danube region. Support multimodal bicycle tourism making the most of the growing trend in bicycle tourism - especially along rivers - and also due to the boom of e-bike. The Danube offers the unique possibility of combining bicycling with travelling by boat. Projects may cover cross-border multimodality including rail and including addressing organisational and legal barriers.</li> <li>· Contribute to ensure accessibility of rural areas, especially those affected by demographic change.</li> </ul> <p><i>These indicative actions are just examples of actions which may be performed within the projects. The projects are expected to be developed comprehensively enough so as to combine more actions and not be merely built around one of them exclusively.</i></p> <p>2.3.3.3 Main target groups and types of beneficiaries supported under the investment priority</p> <p>The main target groups are public and private actors who benefit from transnational achievements such as policy integration, knowledge transfer and capacity building, concrete solutions in the fields of sustainable and better interconnected transport.</p> <p>Beneficiaries are according to their <b>legal form</b> local, regional and national public authorities/institutions, bodies governed by public law, EGTC, international organisations and private bodies.</p> <p>Beneficiaries comprise according to their <b>thematic scope</b> among others local, regional and national public authorities and organisations established and managed by public authorities responsible for transport and economic development, infrastructure and (public) service providers (e.g. for public transport), Public and private logistics and public transport operators, interest groups including NGOs (e.g. international organisation, environmental organisations, voluntary association, etc.), business support organisation (e.g. chamber of commerce, business innovations centres), research and development institutions, universities with research facilities, higher education, education/training centre and school.</p> <p>2.3.3.4 Specific territories targeted under the investment priority</p> <p>No specific focus areas are defined. The entire programme area is eligible.</p>	

<b>Investment priority</b>	7c - Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility

### **2.A.6.2 Guiding principles for the selection of operations**

<b>Investment priority</b>	7c - Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility
<p>The selection of operations will be carried out in accordance with Article 12 of the ETC Regulation (EU) No 1299/2013. The guiding principles for project selection are described in section 5.3.3 of the cooperation programme and are not repeated here. The detailed assessment criteria will be laid down and made available to potential applicants in the Programme Manual and in the call-specific Application Packages.</p>	

### **2.A.6.3 Planned use of financial instruments (where appropriate)**

<b>Investment priority</b>	7c - Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility
Not applicable	

### **2.A.6.4 Planned use of major projects (where appropriate)**

<b>Investment priority</b>	7c - Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility
Not applicable	



<b>Investment priority</b>	7c - Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility
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### 2.A.6.5 Output indicators (by investment priority)

**Table 4: Common and programme-specific output indicators**

<b>Investment priority</b>	7c - Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility				
<b>ID</b>	<b>Indicator</b>	<b>Measurement unit</b>	<b>Target value (2023)</b>	<b>Source of data</b>	<b>Frequency of reporting</b>
P07	No. of documented learning interactions in finalised operations	Number	39.00	Monitoring system	yearly
P20	No of strategies for the improvement of transport and transport systems developed and/or implemented	Number	13.00	Monitoring system	yearly
P21	No of tools for the improvement of transport and transport systems developed and/or implemented	Number	26.00	Monitoring system	yearly
P22	No of pilot actions for the improvement of transport and transport systems developed and/or implemented	Number	7.00	Monitoring system	yearly

### 2.A.4 Investment priority

<b>ID of the investment priority</b>	7e
<b>Title of the investment priority</b>	Improving energy efficiency and security of supply through the development of smart energy distribution, storage and transmission systems and through the integration of distributed generation from renewable sources

### 2.A.5 Specific objectives corresponding to the investment priority and expected results

<b>ID of the specific objective</b>	3.2
<b>Title of the specific objective</b>	Improve energy security and energy efficiency (short title). Contribute to the energy security and energy efficiency of the region by supporting the development of joint regional storage and distribution solutions and strategies for increasing energy efficiency and renewable energy usage.
<b>Results that the Member States</b>	Energy is a typical issue in which a transnational approach is essential in order to ensure the security of supply of the

<b>ID of the specific objective</b>	3.2
<b>Title of the specific objective</b>	Improve energy security and energy efficiency (short title). Contribute to the energy security and energy efficiency of the region by supporting the development of joint regional storage and distribution solutions and strategies for increasing energy efficiency and renewable energy usage.
<b>seek to achieve with Union support</b>	<p>countries, market integration and more effective regional planning, as well as to jointly identify the most critical infrastructure developments.</p> <p>Danube countries (both EU and non-EU member states) are increasingly dependent on the import of primary energy sources - mainly gas and oil - and these imports are often imported exclusively from one source. Domestic production of fossil fuels (oil, gas, coal) and uranium is either insufficient or in decline, while the development of renewable energy resources is generally still underdeveloped with the exception of the Western Balkan States where hydro-power plays a significant role and Austria and Germany.</p> <p>Most of the power and heat generation facilities in the region are obsolete, inefficient and highly pollutant. A large part of the region's energy transportation and distribution infrastructure (pipelines, power lines, etc.) have reached and even exceeded their life expectancy and need major replacement.</p> <p>Only a few countries of the Danube region have an important share of their energy generation from the use of renewable sources and from efficient energy use.</p> <p>Moreover there is a general lack of cooperation in the energy field among the Danube region countries and the absence of functional regional energy markets.</p> <p>Most of the national energy transportation networks in the Danube region have few interconnections and many of the gas interconnectors are not bi-directional (do not allow reversible energy flows), which makes them vulnerable to supply. The Balkan countries of the Danube region still have relatively low energy efficiency in all sectors of the economy: from industry to household energy consumption.</p> <p>Related to these challenges further steps have to be taken to improve policy coordination in the Danube region within the wider context of EU energy policy-making.</p> <p>Furthermore, the Danube region is still in the early stages of the actual deployment of smart distribution systems. All regions</p>

<b>ID of the specific objective</b>	3.2
<b>Title of the specific objective</b>	Improve energy security and energy efficiency (short title). Contribute to the energy security and energy efficiency of the region by supporting the development of joint regional storage and distribution solutions and strategies for increasing energy efficiency and renewable energy usage.
	<p>will have to invest a significant amount of ERDF funding in sustainable energy, including renewable energy sources (RES), energy efficiency and smart grids. Smart grids can manage direct interaction and communication among consumers, households or companies, other grid users and energy suppliers. Moreover smart grids can form the backbone of a future decarbonised power system. They enable the integration of RES and electric vehicles while maintaining availability for conventional power generation and power system adequacy.</p> <p>Energy production, storage and distribution and consumption also mean finding a proper balance between centralized (highly concentrated) and decentralized (small, close to customer) solutions. Such a balance between centralized and decentralized energy systems is desirable.</p> <p>Overall, the main envisaged results of transnational action are:</p> <ul style="list-style-type: none"> <li>· Improved information sharing and practical coordination of regional energy planning to achieve effective energy distribution, energy storage, diversification of energy sources including promotion of all kinds of renewable energy sources and higher energy efficiency in order to contribute to the security of energy supply.</li> </ul> <p>A description of the type and examples of actions to be supported is given in a separate section.</p>

**Table 3: Programme-specific result indicators** (by specific objective)

Specific objective		3.2 - Improve energy security and energy efficiency (short title). Contribute to the energy security and energy efficiency of the region by supporting the development of joint regional storage and distribution solutions and strategies for increasing energy efficiency and renewable energy usage.					
ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
3.2	Intensity of cooperation of key actors in the programme area in order to contribute to energy security and energy efficiency	Ordinal scale	3.90	2014	Increasing intensity of cooperation	Survey among selected key actors linked to the field of energy policy, Joint Research Centre	2018, 2020, 2023

Specific objective		3.2 - Improve energy security and energy efficiency (short title). Contribute to the energy security and energy efficiency of the region by supporting the development of joint regional storage and distribution solutions and strategies for increasing energy efficiency and renewable energy usage.					
ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
	(survey based composite indicator)						

## 2.A.6 Actions to be supported under the investment priority (by investment priority)

### 2.A.6.1 A description of the type and examples of actions to be supported and their expected contribution to the specific objectives, including, where appropriate, identification of the main target groups, specific territories targeted and types of beneficiaries

<b>Investment priority</b>	7e - Improving energy efficiency and security of supply through the development of smart energy distribution, storage and transmission systems and through the integration of distributed generation from renewable sources
<p>In accordance with the SFC2014 model, the following part provides an overview of the types of actions planned to be supported by the cooperation programme. This overview is complemented by indicative thematic examples.</p> <p><b>The following types of action may be financed under the investment priority 7e</b></p> <p>Development of common orientations, frameworks and strategies, development and practical implementation of transnational tools and services, preparation of transnational investments, pilot activities including small-scale investments, development and practical implementation of training and capacity building, accompanying information, dissemination and publicity measures (see section 1.1.1.12).</p> <p><b>The following <u>indicative</u> examples of action may be considered to contribute to specific objective No 3.2 Improve energy security and energy efficiency.</b></p> <ul style="list-style-type: none"> <li>· Contribute to the transnational integration of different energy networks and explore the development opportunities for a joint energy infrastructure in the Danube region. Energy interconnection of the Danube region is of utmost relevance in order to ensure its energy security.</li> <li>· Contribute to the development of Smart Grids in the Danube Region by supporting smart grid policy integration and joint action plans.</li> </ul>	

<b>Investment priority</b>	7e - Improving energy efficiency and security of supply through the development of smart energy distribution, storage and transmission systems and through the integration of distributed generation from renewable sources
<ul style="list-style-type: none"> <li>· Contribute to regional energy planning and -coordination of transnational relevance across the Danube region within the wider context of EU energy policy in order to diversify energy sources and contribute to the security of energy supplies; improve policy learning and develop practical strategies and solutions to increase the use of renewable energy sources (e.g. biomass, hydro-power, solar/photovoltaic energy, geothermal and wind energy) based on the given potentials. Due attention has to be paid to the Hydropower Guiding Principles developed by the International Commission for the Protection of the Danube River (ICPDR) as they make direct link to the Water Framework Directive requirements.</li> <li>· Contribute to practical transnational coordination of developing energy efficiency concepts.</li> <li>· Promote joint efforts to comprehensive spatial planning in order to position adequately generation and transmission capacities;</li> <li>· Support human resource development and the exchange of related knowledge and experience accompanying policy and technology development.</li> </ul> <p><i>These indicative actions are just examples of actions which may be performed within the projects. The projects are expected to be developed comprehensively enough so as to combine more actions and not be merely built around one of them exclusively.</i></p> <p>2.3.4.3 Main target groups and types of beneficiaries supported under the investment priority</p> <p>The main target groups are public and private actors who benefit from transnational achievements such as policy integration, knowledge transfer and capacity building, concrete solutions in the diversification of energy sources, higher energy efficiency and more effective energy distribution.</p> <p>Beneficiaries are according to their <b>legal form</b> local, regional and national public authorities/institutions, bodies governed by public law, EGTC, international organisations and private bodies.</p> <p>Beneficiaries comprise according to their <b>thematic scope</b> among others local, regional and national public authorities and organisations established and managed by public authorities responsible for energy issues, sectoral agencies, regional development agencies, infrastructure and (public) service providers (e.g. for energy supply), grid operators and suppliers, research and development institutions, universities with research facilities, business support organisation (e.g. chamber of commerce, business innovations centres), higher education, education/training centre and school, private enterprises including SME.</p>	

<b>Investment priority</b>	7e - Improving energy efficiency and security of supply through the development of smart energy distribution, storage and transmission systems and through the integration of distributed generation from renewable sources
2.3.4.4	<p>Specific territories targeted under the investment priority</p> <p>No specific focus areas are defined. The entire programme area is eligible.</p>

#### **2.A.6.2 Guiding principles for the selection of operations**

<b>Investment priority</b>	7e - Improving energy efficiency and security of supply through the development of smart energy distribution, storage and transmission systems and through the integration of distributed generation from renewable sources
	<p>The selection of operations will be carried out in accordance with Article 12 of the ETC Regulation (EU) No 1299/2013. The guiding principles for project selection are described in section 5.3.3 of the cooperation programme and are not repeated here. The detailed assessment criteria will be laid down and made available to potential applicants in the Programme Manual and in the call-specific Application Packages.</p>

#### **2.A.6.3 Planned use of financial instruments (where appropriate)**

<b>Investment priority</b>	7e - Improving energy efficiency and security of supply through the development of smart energy distribution, storage and transmission systems and through the integration of distributed generation from renewable sources
	Not applicable

#### **2.A.6.4 Planned use of major projects (where appropriate)**

<b>Investment priority</b>	7e - Improving energy efficiency and security of supply through the development of smart energy distribution, storage and transmission systems and through the integration of distributed generation from renewable sources
Not applicable	

### 2.A.6.5 Output indicators (by investment priority)

**Table 4: Common and programme-specific output indicators**

<b>Investment priority</b>	7e - Improving energy efficiency and security of supply through the development of smart energy distribution, storage and transmission systems and through the integration of distributed generation from renewable sources				
ID	Indicator	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
P07	No. of documented learning interactions in finalised operations	Number	21.00	Monitoring system	yearly
P23	No of strategies to improve energy security and energy efficiency developed and/or implemented	Number	7.00	Monitoring system	yearly
P24	No of tools to improve energy security and energy efficiency developed and/or implemented	Number	14.00	Monitoring system	yearly
P25	Number of pilot actions to improve energy security and energy efficiency developed and/or implemented	Number	4.00	Monitoring system	yearly

### 2.A.7 Performance framework

**Table 5: Performance framework of the priority axis**

<b>Priority axis</b>		<b>3 - Better connected and energy responsible Danube region</b>					
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data	Explanation of relevance of indicator, where appropriate
FI3	F	Total amount of eligible expenditure certified to EC for priority axis 3	EUR	1,547,947	54,619,964.00	CA	The financial indicators included in the performance framework, namely "Total amount of eligible expenditure entered into the accounting system of the

Priority axis		3 - Better connected and energy responsible Danube region					
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data	Explanation of relevance of indicator, where appropriate
							certifying authority and certified by the authority" for the respective priority axis, are directly linked to the information included in the CP Section 3 (Financing Plan). The values for milestones of 2018 are ensuring that the n+3 target of 2018 according to annual commitments for ERDF and IPA included in section 3.1 of the CP can be reached.
KIS	I	Number of documented learning interactions (in approved applications)	Number	13	60.00	MA (monitoring system)	The key implementation step corresponds to the number of documented interactions in the approved applications. It is expected that every project in the priority develops and documents at least three learning interactions. It is expected that several project partners and, if relevant, also external organisations will be involved in the learning interaction. The indicator will count the number of joint documented learning interactions and not the number of individual partners involved.
P07	O	No. of documented learning interactions in finalised operations	Number	0	60.00	MA (monitoring system)	Indicator will be measured based on final reports of projects. The output indicator relates to 60% of the financial allocation to the priority as every project in the priority is expected to develop and document three joint learning experiences.

### Additional qualitative information on the establishment of the performance framework

#### 2.A.8 Categories of intervention

Categories of intervention corresponding to the content of the priority axis, based on a nomenclature adopted by the Commission, and indicative breakdown of Union support



## Tables 6-9: Categories of intervention

**Table 6: Dimension 1 Intervention field**

Priority axis	3 - Better connected and energy responsible Danube region	
	Code	Amount (€)
	012. Other renewable energy (including hydroelectric, geothermal and marine energy) and renewable energy integration (Including storage, power to gas and renewable hydrogen infrastructure)	9,285,394.00
	015. Intelligent Energy Distribution Systems at medium and low voltage levels (including smart grids and ICT systems)	6,190,262.00
	035. Multimodal transport (TEN-T)	6,190,262.00
	036. Multimodal transport	6,190,262.00
	039. Seaports (TEN-T)	1,547,566.00
	040. Other seaports	1,547,566.00
	041. Inland waterways and ports (TEN-T)	6,190,262.00
	042. Inland waterways and ports (regional and local)	3,095,132.00
	043. Clean urban transport infrastructure and promotion (including equipment and rolling stock)	3,095,132.00
	044. Intelligent transport systems (including the introduction of demand management, tolling systems, IT monitoring control and information systems)	3,095,131.00

**Table 7: Dimension 2 Form of finance**

Priority axis	3 - Better connected and energy responsible Danube region	
	Code	Amount (€)
	01. Non-repayable grant	46,426,969.00

**Table 8: Dimension 3 Territory type**

<b>Priority axis</b>	<b>3 - Better connected and energy responsible Danube region</b>	
	<b>Code</b>	<b>Amount (€)</b>
07. Not applicable		46,426,969.00

**Table 9: Dimension 6 Territorial delivery mechanisms**

<b>Priority axis</b>	<b>3 - Better connected and energy responsible Danube region</b>	
	<b>Code</b>	<b>Amount (€)</b>
07. Not applicable		46,426,969.00

**2.A.9 A summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries and, where necessary, actions to enhance the administrative capacity of relevant partners to participate in the implementation of programmes (where appropriate)**

<b>Priority axis:</b>	<b>3 - Better connected and energy responsible Danube region</b>	
Not applicable		

### 2.A.1 Priority axis

<b>ID of the priority axis</b>	4
<b>Title of the priority axis</b>	Well governed Danube region

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development

### 2.A.2 Justification for the establishment of a priority axis covering more than one thematic objective (where applicable)

Not applicable

### 2.A.3 Fund and calculation basis for Union support

<b>Fund</b>	<b>Calculation basis (total eligible expenditure or eligible public expenditure)</b>
ERDF	Total
IPAE	Total

### 2.A.4 Investment priority

<b>ID of the investment priority</b>	11a
<b>Title of the investment priority</b>	Enhancing institutional capacity of public authorities and stakeholders and efficient public administration through actions to strengthen the institutional capacity and the efficiency of public administrations and public services related to the implementation of the ERDF, and in support of actions under the ESF to strengthen the institutional capacity and the efficiency of public administration

## 2.A.5 Specific objectives corresponding to the investment priority and expected results

<b>ID of the specific objective</b>	4.1
<b>Title of the specific objective</b>	Improve institutional capacities to tackle major societal challenges (short title). Strengthen multilevel- and transnational governance and institutional capacities and provide viable institutional and legal frameworks for more effective, wider and deeper transnational cooperation across the Danube region in areas with major societal challenges.
<b>Results that the Member States seek to achieve with Union support</b>	<p>The need has been identified by the analysis to develop the capacities of the public authorities and other public and civil society stakeholders to become able to tackle more effectively the challenges of highest relevance for the region. The lack of harmonized or coordinated approaches to effectively address the most important challenges requiring actions at transnational level. As described in the analysis challenges in the policy fields of migration, demographic change or the inclusion of marginalized communities, especially the Roma communities are the ones of highest relevance for the region in the upcoming decade.</p> <p>There is a need to support projects or initiatives which trigger off cooperation in new policy areas, e.g. initiatives with a catalytic function are of importance. Institutions should develop capacities to act as intermediaries and interlocutors thus creating an enabling environment. This is of particular interest in the programme area since there are marked differences in the administrative system and developing partnerships in an environment of transnational and multi-level governance remains a challenge.</p> <p>Another major aspect is the support of cooperation in those policy areas where major societal challenges arise in a mid-term or long-term perspective. In policy areas where cooperation is in an early stage the development of shared perspectives based on data analysis can be considered as first a first mile stone. More advanced cooperation will venture into capacity building, mutual learning, and strategy development paired with pilot actions to be tested. These are essential elements on the pathway to sustainable cooperation and new institutional patterns.</p> <p>Transnational action may encourage national, regional and local institutions and other stakeholders to work together in areas which will contribute significantly to the programme objectives. Establishing institutional cooperation should lead to improving legal and policy frameworks, developing strategies and action plans, development of joint capacities and coordinated delivery of services in areas which represent major societal challenges. Institutional capacity building is especially important for human resources development in less developed countries.</p> <p>Accordingly, capable institutional actors need to be well represented in joint action. It is import also to involve the lowest level</p>

<b>ID of the specific objective</b>	4.1
<b>Title of the specific objective</b>	Improve institutional capacities to tackle major societal challenges (short title). Strengthen multilevel- and transnational governance and institutional capacities and provide viable institutional and legal frameworks for more effective, wider and deeper transnational cooperation across the Danube region in areas with major societal challenges.
	<p>of state administration (municipalities) and integrate local development into transnational cooperation.</p> <p>Overall, the main envisaged results are:</p> <ul style="list-style-type: none"> <li>· Improved capacities of public institutions and stakeholders to tackle major societal challenges in fields such as labour market policies, education systems and policies, demographic change and migration challenges, inclusion of vulnerable and marginalized groups, participatory planning process and involvement of civil society, urban-rural cooperation and partnership, cooperation on safety, justice and security and administrative issues.</li> </ul> <p>Transnational action should result in concrete institutional capacity building and improved policy instruments for enabling multilevel and transnational governance application through design, testing, up-scaling, comparison and evaluation of tools, processes, actors, organisations and interfaces in the field of public institutions. Last but not least, transnational action shall deliver conclusions on the relevance, effectiveness and sustainability of the above through monitoring and evaluation initiatives.</p>

**Table 3: Programme-specific result indicators** (by specific objective)

Specific objective		4.1 - Improve institutional capacities to tackle major societal challenges (short title). Strengthen multilevel- and transnational governance and institutional capacities and provide viable institutional and legal frameworks for more effective, wider and deeper transnational cooperation across the Danube region in areas with major societal challenges.					
ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
4.1	Intensity of cooperation of institutional actors and other stakeholders in the programme area in order to tackle major societal challenges (survey	Semi-quantitative scale	4.14	2014	Increasing intensity of cooperation (qualitative target)	Survey among selected governance key actors	2018, 2020, 2023

Specific objective		4.1 - Improve institutional capacities to tackle major societal challenges (short title). Strengthen multilevel- and transnational governance and institutional capacities and provide viable institutional and legal frameworks for more effective, wider and deeper transnational cooperation across the Danube region in areas with major societal challenges.					
ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
	based composite indicator)						

## 2.A.6 Actions to be supported under the investment priority (by investment priority)

### 2.A.6.1 A description of the type and examples of actions to be supported and their expected contribution to the specific objectives, including, where appropriate, identification of the main target groups, specific territories targeted and types of beneficiaries

<b>Investment priority</b>	11a - Enhancing institutional capacity of public authorities and stakeholders and efficient public administration through actions to strengthen the institutional capacity and the efficiency of public administrations and public services related to the implementation of the ERDF, and in support of actions under the ESF to strengthen the institutional capacity and the efficiency of public administration
<p>In accordance with the SFC2014 model, the following part provides an overview of the types of actions planned to be supported by the cooperation programme. This overview is complemented by indicative thematic examples.</p> <p><b>The following types of action may be financed under the investment priority 11”a” and 11”b”</b></p> <p>Development of common orientations, frameworks and strategies, development and practical implementation of transnational tools and services, preparation of transnational investments, pilot activities including small-scale investments, development and practical implementation of training and capacity building, accompanying information, dissemination and publicity measures (see section 1.1.1.12).</p> <p><b>The following <u>indicative</u> examples of action may be considered to contribute to specific objective No 4.1 Improve institutional capacities to tackle major societal challenges</b></p> <ul style="list-style-type: none"> <li>Support the exchange and transfer of know-how and best practices on <b>labour market policies</b> between labour market institutions and social partner organisations in the Danube Region incl. labour market law, social partnership/social dialogue, models of cooperation between public employment services &amp; companies; youth unemployment in order to increase labour market participation and combating the labour market mismatches between skills</li> </ul>	

<b>Investment priority</b>	11a - Enhancing institutional capacity of public authorities and stakeholders and efficient public administration through actions to strengthen the institutional capacity and the efficiency of public administrations and public services related to the implementation of the ERDF, and in support of actions under the ESF to strengthen the institutional capacity and the efficiency of public administration
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and job opportunities (brain waste). Joint action to the re-integration of disadvantaged groups into labour market should also be supported.

- Support institutional capacities and framework conditions for implementing **education systems and policies** (incl. active labour market policies) aimed at raising the level of education and qualification and thus increasing chances to find employment in the Danube region. Education and training provide a wide field for transnational cooperation with (potential) EU candidate and ENI countries. Improving knowledge, skills and competences of all (incl. youth, low-skilled adults, etc.) and at all levels of education and training to increase employability and adaptability (e.g. development of innovative learning environments and training schemes / curricula; improving the attractiveness and quality of vocational education and training (VET) and dual and other work-based learning systems, implementation of lifelong learning strategies, fostering entrepreneurial initiative, digital and language skills, second chance options for low-skilled adults etc.).
- Support the joint development and improvement policies and innovative learning systems that address **demographic change and migration challenges**. Human capital needs to be enhanced, through education, in order to compensate for unavoidable demographic decline as forecasted by experts. This clearly needs a transnational approach due to intensifying migratory trends. A need for a gendered perspective became evident due to the fact that human capital development has gender specific elements and gender parity in educational attainment in the Danube region is well below the EU average.
- Support the exchange and transfer of know-how and best practices on **social inclusion policies** between e.g. labour market institutions and social partner organisations in the Danube Region regarding the inclusion of marginalised and vulnerable groups such as Roma communities (example for a marginalised group). The Roma population finds itself in a similar situation across Danube region countries that bear a great potential in terms of transnational cooperation and development of specific tools, methodologies, policies and actions.
- Improve joint policies and implemented tools to strengthen **participatory planning process and involvement of civil society** in the transition countries in order to contribute to civil society development.
- Strengthen cooperation of **networks among cities and of urban-rural partnerships**. Improving the quality and effectiveness of strategic planning of functional areas of cross border relevance (e.g. more suitable composition of partnerships, better mobilization of financial resources, to improve participative processes, development of common planning tools and data bases, fostering evaluation of interventions).

<b>Investment priority</b>	11a - Enhancing institutional capacity of public authorities and stakeholders and efficient public administration through actions to strengthen the institutional capacity and the efficiency of public administrations and public services related to the implementation of the ERDF, and in support of actions under the ESF to strengthen the institutional capacity and the efficiency of public administration
<ul style="list-style-type: none"> <li>· Support the enhanced cooperation of public administration at national, regional and local level.</li> <li>· Support the creation of <b>healthy local communities</b> on the basis of healthy cities and healthy communities' concept. To develop modern social, health and educational services existing civil society networks could be used with long term relationships in the Danube Region in order to effectively root projects in local context.</li> </ul> <p><i>These indicative actions are just examples of actions which may be performed within the projects. The projects are expected to be developed comprehensively enough so as to combine more actions and not be merely built around one of them exclusively.</i></p> <p>2.4.3.3            Main target groups and types of beneficiaries supported under the investment priority</p> <p>The main target groups are public and private actors who benefit from transnational achievements such as better coordinated approaches to effectively address major societal challenges in the Danube region and better implemented EUSDR.</p> <p>Beneficiaries are according to their <b>legal form</b> local, regional and national public authorities/institutions, bodies governed by public law, EGTC, international organisations and private bodies.</p> <p>Beneficiaries comprise according to their <b>thematic scope</b> among others local, regional and national public authorities and organisations established and managed by public authorities, social services providers, non-governmental organisations, research and development institutions, universities with research facilities, higher education, education/training institutions.</p> <p>2.4.3.4            Specific territories targeted under the investment priority</p> <p>No specific focus areas are defined. The entire programme area is eligible.</p>	



#### **2.A.6.2 Guiding principles for the selection of operations**

<b>Investment priority</b>	11a - Enhancing institutional capacity of public authorities and stakeholders and efficient public administration through actions to strengthen the institutional capacity and the efficiency of public administrations and public services related to the implementation of the ERDF, and in support of actions under the ESF to strengthen the institutional capacity and the efficiency of public administration
The selection of operations will be carried out in accordance with Article 12 of the ETC Regulation (EU) No 1299/2013. The guiding principles for project selection are described in section 5.3.3 of the cooperation programme and are not repeated here. The detailed assessment criteria will be laid down and made available to potential applicants in the Programme Manual and in the call-specific Application Packages.	

#### **2.A.6.3 Planned use of financial instruments (where appropriate)**

<b>Investment priority</b>	11a - Enhancing institutional capacity of public authorities and stakeholders and efficient public administration through actions to strengthen the institutional capacity and the efficiency of public administrations and public services related to the implementation of the ERDF, and in support of actions under the ESF to strengthen the institutional capacity and the efficiency of public administration
Not applicable	

#### **2.A.6.4 Planned use of major projects (where appropriate)**

<b>Investment priority</b>	11a - Enhancing institutional capacity of public authorities and stakeholders and efficient public administration through actions to strengthen the institutional capacity and the efficiency of public administrations and public services related to the implementation of the ERDF, and in support of actions under the ESF to strengthen the institutional capacity and the efficiency of public administration
Not applicable	

#### **2.A.6.5 Output indicators (by investment priority)**

**Table 4: Common and programme-specific output indicators**

<b>Investment priority</b>	11a - Enhancing institutional capacity of public authorities and stakeholders and efficient public administration through actions to strengthen the institutional capacity and the efficiency of public administrations and public services related to the implementation of the ERDF, and in support of actions under the ESF to strengthen the institutional capacity and the efficiency of public administration				
<b>ID</b>	<b>Indicator</b>	<b>Measurement unit</b>	<b>Target value (2023)</b>	<b>Source of data</b>	<b>Frequency of reporting</b>
P07	No. of documented learning interactions in finalised operations	Number	21.00	Monitoring system	yearly
P26	Number of strategies for strengthening institutional capacities and transnational multilevel governance developed and/or implemented	Number	7.00	Monitoring system	yearly
P27	Number of tools for strengthening institutional capacities and supporting transnational multilevel governance developed and/or implemented	Number	14.00	Monitoring system	yearly
P28	Number of pilot actions for strengthening institutional capacities and supporting transnational multilevel governance developed and/or implemented	Number	4.00	Monitoring system	yearly

**2.A.4 Investment priority**

<b>ID of the investment priority</b>	11c
<b>Title of the investment priority</b>	Developing and coordinating macro-regional and sea-basin strategies (ETC-TN)

**2.A.5 Specific objectives corresponding to the investment priority and expected results**

<b>ID of the specific objective</b>	4.2
<b>Title of the specific objective</b>	Support to the governance and implementation of the EUSDR (short title). Improve the governance system and the capabilities and capacities of public institutions and key actors involved in complex transnational project development to implement the EUSDR in a more effective way.
<b>Results that the Member States seek to achieve with Union support</b>	Based on the first experiences with the governance of the EUSDR, the need has been identified to make the governance of the EUSDR more effective.  Needs were identified in the following areas:

<b>ID of the specific objective</b>	4.2
<b>Title of the specific objective</b>	Support to the governance and implementation of the EUSDR (short title). Improve the governance system and the capabilities and capacities of public institutions and key actors involved in complex transnational project development to implement the EUSDR in a more effective way.
	<p>The ambitions of the strategy to deliver prepared strategy-based project proposals for funding institutions should be maintained. Needs for financial resources have been identified that are able to facilitate the development of project ideas and proposals until they reach the level of preparedness that is required for investment decisions.</p> <p>Until the end of 2014 EP/EC played an important role in financing the coordination and management roles played by the Priority Area Coordinators (PACs) in the programme, by directly granting their budget. As neither the importance nor the scope of the PACs' activities is foreseen to change, to provide a stable source to fund the activities of the priority areas over the period of current cooperation programme is a clear need, in order to enable the priority area to achieve its targets.</p> <p>There is a need for a better flow of information among the EUSDR stakeholders, and, in the same time the need for putting the PACs and National Co-ordinators (NCs) in a more strategic position.</p> <p>Overall, to address these needs at different levels the main envisaged results of transnational action are:</p> <ul style="list-style-type: none"> <li>· Improved effectiveness of coordination and strategy implementation in each of the Priority Areas of the EUSDR by a facility for direct support to EUSDR governance.</li> <li>· Increased capacities in the regions for the development of complex strategic transnational projects contributing to the EU Strategy for the Danube Region by establishing a seed money/project development fund facility.</li> <li>· Strengthened implementation of the EUSDR through the establishment of an EUSDR Strategy Point to facilitate the information flow between key EUSDR actors.</li> <li>· Strengthened capacity of the PAC in implementing and communicating the EUSDR through the Strategy Point.</li> </ul> <p>Through a combination of these measures a better overall coordination and implementation of the EUSDR should be achieved.</p>

**Table 3: Programme-specific result indicators** (by specific objective)

Specific objective		4.2 - Support to the governance and implementation of the EUSDR (short title). Improve the governance system and the capabilities and capacities of public institutions and key actors involved in complex transnational project development to implement the EUSDR in a more effective way.					
ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
4.2	The status of management capacities of Priority Area Coordinators (PAC) to effectively implement EUSDR goals, targets and key action (survey composite indicator)	Semi-quantitative scale	3.59	2014	Improved capacities of PACs (qualitative target)	Survey among the NCs and PACs	2016, 2018, 2020, 2023

## 2.A.6 Actions to be supported under the investment priority (by investment priority)

### 2.A.6.1 A description of the type and examples of actions to be supported and their expected contribution to the specific objectives, including, where appropriate, identification of the main target groups, specific territories targeted and types of beneficiaries

Investment priority	11c - Developing and coordinating macro-regional and sea-basin strategies (ETC-TN)
<p>In accordance with the SFC2014 model, the following part provides an overview of the types of actions planned to be supported by the cooperation programme. This overview is complemented by indicative thematic examples.</p> <p><b>The following types of action may be financed under the investment priority 11”a” and 11”b”</b></p> <p>Development of common orientations, frameworks and strategies, development and practical implementation of transnational tools and services, preparation of transnational investments, pilot activities including small-scale investments, development and practical implementation of training and capacity building, accompanying information, dissemination and publicity measures (see section 1.1.1.12).</p> <p><b>The following examples of action should be supported to contribute to specific objective No 4.2 Support to the governance and implementation of the EUSDR</b></p> <ul style="list-style-type: none"> <li>· <b>Establish a facility for direct support to EUSDR governance.</b> The Danube Strategy addresses a wide range of issues; these are divided among four</li> </ul>	

<b>Investment priority</b>	11c - Developing and coordinating macro-regional and sea-basin strategies (ETC-TN)
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pillars and eleven priority areas. Each of the eleven priority areas of the Danube Region Strategy are managed by two Priority Area Coordinators (PACs). PACs are in charge of implementing the priority areas and were designated by the European Commission (EC) in February 2011. The aim of this element of the priority is to provide a stable source of funding for the Priority axis in the long run. The programme focuses on providing tools to PACs to fulfil their coordinating role more effectively

- **Establish a seed money/project development fund facility (Financing fund).** This instrument is providing support to strategic projects in the thematic fields of the Strategy. Small scale financial assistance is available for EUSDR-relevant project ideas – regardless the financial instrument to be addressed with the project developed, be it national, mainstream EU, transnational or cross border or by any other public or private investor (such as IFIs) or public-private partnership.
- **Establish the Danube Strategy Point.** It is proposed that the Danube Strategy Point should be independent from the administration of the Danube Transnational Programme but that decisions regarding the location, the activity plan, the activities, the financing and the organisation of the Strategy Point should be taken by all parties involved. Its main tasks would be: 1) Support for implementation of the EUSDR including support for networking, organising events and horizontal activities and providing a platform for the involvement of civil society, regional and multi-governance levels; 2) Support for Communication including information gathering and dissemination and managing communication and publicity tools as well as providing support to the PACs in their communication activities; 3) Support for monitoring and evaluation and for evidence-based decision making; and 4) Support for linking the EUSDR to the Danube Transnational Programme including supporting the exchange of information between Danube Transnational Programme, NCs and PACs, organising regular communication between Programme Monitoring Committee, JS and relevant EUSDR actors, and ensuring coordination of communication activities between the Programme JS and the Strategy Point.

2.4.4.3 Main target groups and types of beneficiaries supported under the investment priority

The main target groups are public and private actors who benefit from transnational achievements such as better coordinated approaches to effectively address major societal challenges in the Danube region and better implemented EUSDR.

Beneficiaries are according to their **legal form** local, regional and national public authorities/institutions, bodies governed by public law, EGTC, international organisations and private bodies.

Beneficiaries comprise according to their **thematic scope** among others local, regional and national public authorities and organisations established and managed by public authorities, social services providers, non-governmental organisations, research and development institutions, universities with

<b>Investment priority</b>	11c - Developing and coordinating macro-regional and sea-basin strategies (ETC-TN)
research facilities, higher education, education/training institutions.	
2.4.4.4 Specific territories targeted under the investment priority	
No specific focus areas are defined. The entire programme area is eligible.	

#### ***2.A.6.2 Guiding principles for the selection of operations***

<b>Investment priority</b>	11c - Developing and coordinating macro-regional and sea-basin strategies (ETC-TN)
The selection of operations will be carried out in accordance with Article 12 of the ETC Regulation (EU) No 1299/2013. The guiding principles for project selection are described in section 5.3.3 of the cooperation programme and are not repeated here. The detailed assessment criteria will be laid down and made available to potential applicants in the Programme Manual and in the call-specific Application Packages.	

#### ***2.A.6.3 Planned use of financial instruments (where appropriate)***

<b>Investment priority</b>	11c - Developing and coordinating macro-regional and sea-basin strategies (ETC-TN)
Not applicable	

#### ***2.A.6.4 Planned use of major projects (where appropriate)***

<b>Investment priority</b>	11c - Developing and coordinating macro-regional and sea-basin strategies (ETC-TN)
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<b>Investment priority</b>	11c - Developing and coordinating macro-regional and sea-basin strategies (ETC-TN)
Not applicable	

### 2.A.6.5 Output indicators (by investment priority)

**Table 4: Common and programme-specific output indicators**

<b>Investment priority</b>	11c - Developing and coordinating macro-regional and sea-basin strategies (ETC-TN)				
<b>ID</b>	<b>Indicator</b>	<b>Measurement unit</b>	<b>Target value (2023)</b>	<b>Source of data</b>	<b>Frequency of reporting</b>
P29	Number of EUSDR Priority Areas financed	Number	12.00	Monitoring system	yearly
P30	Number of projects plans prepared through the seed money facility	Number	50.00	Monitoring system	yearly
P31	EUSDR Strategy Point implemented	Number	1.00	Monitoring system	yearly

### 2.A.7 Performance framework

**Table 5: Performance framework of the priority axis**

<b>Priority axis</b>		<b>4 - Well governed Danube region</b>					
<b>ID</b>	<b>Indicator type</b>	<b>Indicator or key implementation step</b>	<b>Measurement unit, where appropriate</b>	<b>Milestone for 2018</b>	<b>Final target (2023)</b>	<b>Source of data</b>	<b>Explanation of relevance of indicator, where appropriate</b>
FI4	F	Total amount of eligible expenditure certified to EC for priority axis 4	EUR	958,253	33,812,359.00	CA	The financial indicators included in the performance framework, namely "Total amount of eligible expenditure entered into the accounting system of the certifying authority and certified by the authority" for the respective priority axis, are directly linked to the information included in the CP Section 3 (Financing Plan). The values for milestones of 2018 are ensuring that the n+3 target of 2018 according to annual commitments for ERDF and IPA included in section 3.1

Priority axis		4 - Well governed Danube region					
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data	Explanation of relevance of indicator, where appropriate
							of the CP can be reached.
KIS	I	Number of documented learning interactions (in approved applications)	Number	5	21.00	MA (monitoring system)	The key implementation step corresponds to the number of documented interactions in the approved applications. It is expected that every project in the priority develops and documents at least three learning interactions. It is expected that several project partners and, if relevant, also external organisations will be involved in the learning interaction. The indicator will count the number of joint documented learning interactions and not the number of individual partners involved.
P07	O	No. of documented learning interactions in finalised operations	Number	0	21.00	MA (monitoring system)	Considering that due to the peculiarity of this priority no single outputs indicators can contribute to more than 50% of the financial allocation to the priority, this indicator has been selected to be part of the performance framework as representative of one of the two SO belonging to PA4.
P30	O	Number of projects plans prepared through the seed money facility	Number	0	50.00	MA (monitoring system)	One of the main expected results link to this output indicator refers to increasing the capacities for the development of complex strategic transnational projects in the Danube region, as such it is expected to provide a strong contribution to increasing the institutional capacities through learning interactions.

### Additional qualitative information on the establishment of the performance framework

#### 2.A.8 Categories of intervention

Categories of intervention corresponding to the content of the priority axis, based on a nomenclature adopted by the Commission, and indicative breakdown of Union support



## Tables 6-9: Categories of intervention

### Table 6: Dimension 1 Intervention field

Priority axis	4 - Well governed Danube region	
	Code	Amount (€)
119. Investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance		20,118,353.00
120. Capacity building for all stakeholders delivering education, lifelong learning, training and employment and social policies, including through sectoral and territorial pacts to mobilise for reform at the national, regional and local levels		8,622,151.00

### Table 7: Dimension 2 Form of finance

Priority axis	4 - Well governed Danube region	
	Code	Amount (€)
01. Non-repayable grant		28,740,504.00

### Table 8: Dimension 3 Territory type

Priority axis	4 - Well governed Danube region	
	Code	Amount (€)
07. Not applicable		28,740,504.00

### Table 9: Dimension 6 Territorial delivery mechanisms

Priority axis	4 - Well governed Danube region	
	Code	Amount (€)

<b>Priority axis</b>	<b>4 - Well governed Danube region</b>	
	<b>Code</b>	<b>Amount (€)</b>
07. Not applicable		28,740,504.00

**2.A.9 A summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries and, where necessary, actions to enhance the administrative capacity of relevant partners to participate in the implementation of programmes (where appropriate)**

<b>Priority axis:</b>	<b>4 - Well governed Danube region</b>	
Not applicant		

## 2.B DESCRIPTION OF THE PRIORITY AXES FOR TECHNICAL ASSISTANCE

### 2.B.1 Priority axis

<b>ID</b>	5
<b>Title</b>	Technical Assistance

### 2.B.2 Fund and calculation basis for Union support

<b>Fund</b>	<b>Calculation basis (total eligible expenditure or eligible public expenditure)</b>
ERDF	Total
IPA(e)	Total

### 2.B.3 Specific objectives and expected results

<b>ID</b>	<b>Specific objective</b>	<b>Results that the Member States seek to achieve with Union support</b>
5.1	Ensure the efficient and smooth implementation of the Danube Transnational Programme.	<p>The use of Technical Assistance funds should ensure the functioning of bodies which act in programme implementation, especially at transnational level, i.e. in particular the Managing Authority, the Joint Secretariat, the Audit and Certifying Authorities and their corresponding activities and – to a certain extent – national authorities and relevant bodies of the participating countries and their corresponding activities.</p> <p>The key results of the programme are successful projects with visible and sustainable outputs and results. The services supported from Technical Assistance are considered as a mean to achieve this result. The programme management bodies should ensure competent services to the applicants and beneficiaries throughout all stages of the Project Management Cycle, i.e. from project generation, selection and</p>

ID	Specific objective	Results that the Member States seek to achieve with Union support
		<p>contracting to implementation, promotion, control and closure.</p> <p>A further dimension is the work in information and communication.</p> <p>Firstly a key point is to ensure an easy access to information for all interested applicants and beneficiaries. With a view to more technical information for applicants and beneficiaries the options of internet-based online services should be paired with the offer for face-to-face consultation. Thus the broad variety of potential applicants and beneficiaries as well as their differing communication requirements should be taken into account.</p> <p>Secondly publicity and information should contribute to the visibility of programme achievements in the programme region through a broad variety of means such as dissemination of good practice, events for a broader audience, campaigns etc.</p> <p>The programme management bodies will ensure sound reporting, which shall contribute to the acknowledgement of the programme achievements by the stakeholders in the programme area, relevant European Commission services and the Member and Partner States. Thus reporting should assist to demonstrate the value-added of ETC-programmes in general and in different policy fields, different regions and for different target groups in particular.</p>

## 2.B.4 Result indicators

**Table 10: Programme-specific result indicators (by specific objective)**

Priority axis	5.1 - Ensure the efficient and smooth implementation of the Danube Transnational Programme.						
ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
-	Not applicable since the contribution of ERDF funds for TA does not exceed EUR 15,000,000 (acc. to Commission Implementing Regulation 288/2014, Annex II)	-					

## 2.B.5 Actions to be supported and their expected contribution to the specific objectives (by priority axis)

### 2.B.5.1 Description of actions to be supported and their expected contribution to the specific objectives

Priority axis	5 - Technical Assistance
	<ul style="list-style-type: none"> <li>• Ensuring adequate staffing and functioning of Managing Authority and Joint Secretariat</li> <li>• Ensuring adequate FLC systems in all participating countries and a network of controllers</li> <li>• Establishing a network of National Contact Points</li> <li>• Establishing office and IT systems</li> <li>• Setting up services and staff required by the Audit and Certifying Authorities</li> <li>• Ensuring the development and maintenance of the Monitoring System</li> <li>• Ensuring that meetings of the Monitoring Committee (MC), sub-groups established by the MC (e.g. Steering Group Evaluation) and technical working groups (e.g. for the elaboration of templates and guidance documents, eligibility rules etc.) take place regularly and are efficiently organised</li> <li>• Offering general information and advice to the LA and LB</li> <li>• Ensuring publicity and information measures take place</li> <li>• Setting up services related to evaluation, indicator development and programming for the forthcoming period</li> </ul>

### 2.B.5.2 Output indicators expected to contribute to results (by priority axis)

**Table 11: Output indicators**

Priority axis	5 - Technical Assistance

ID	Indicator	Measurement unit	Target value (2023)	Source of data
P5.1	No of projects committed and successfully closed (P)	Number	147.00	Monitoring system
P5.2	Number of major publicity events (P)	Number	8.00	Monitoring system
P5.3	Number of compulsory information events for applicants and beneficiaries at project start (P)	Number	10.00	Monitoring system

## 2.B.6 Categories of intervention

Corresponding categories of intervention based on a nomenclature adopted by the Commission, and an indicative breakdown of Union support.

### Tables 12-14: Categories of intervention

**Table 12: Dimension 1 Intervention field**

Priority axis	5 - Technical Assistance	
	Code	Amount (€)
	121. Preparation, implementation, monitoring and inspection	10,863,655.00
	122. Evaluation and studies	423,259.00
	123. Information and communication	2,821,729.00

**Table 13: Dimension 2 Form of finance**

Priority axis	5 - Technical Assistance	
	Code	Amount (€)
	01.Non-repayable grant	14,108,643.00

**Table 14: Dimension 3 Territory type**

Priority axis	5 - Technical Assistance	
	Code	Amount (€)
	07.Not applicable	14,108,643.00

### 3. FINANCING PLAN

#### 3.1 Financial appropriation from the ERDF (in €)

Table 15

Fund	2014	2015	2016	2017	2018	2019	2020	Total
ERDF	0.00	24,660,614.00	20,901,883.00	37,978,602.00	38,738,175.00	39,512,935.00	40,303,196.00	202,095,405.00
<b>Total ERDF</b>	<b>0.00</b>	<b>24,660,614.00</b>	<b>20,901,883.00</b>	<b>37,978,602.00</b>	<b>38,738,175.00</b>	<b>39,512,935.00</b>	<b>40,303,196.00</b>	<b>202,095,405.00</b>
IPA(e)	0.00	2,419,649.00	2,050,851.00	3,726,383.00	3,800,911.00	3,876,929.00	3,954,469.00	19,829,192.00
<b>Total IPA(e)</b>	<b>0.00</b>	<b>2,419,649.00</b>	<b>2,050,851.00</b>	<b>3,726,383.00</b>	<b>3,800,911.00</b>	<b>3,876,929.00</b>	<b>3,954,469.00</b>	<b>19,829,192.00</b>
<b>Total</b>	<b>0.00</b>	<b>27,080,263.00</b>	<b>22,952,734.00</b>	<b>41,704,985.00</b>	<b>42,539,086.00</b>	<b>43,389,864.00</b>	<b>44,257,665.00</b>	<b>221,924,597.00</b>



### 3.2.A Total financial appropriation from the ERDF and national co-financing (in €)

**Table 16: Financing plan**

Priority axis	Fund	Basis for calculation of Union support (Total eligible cost or public eligible cost)	Union support (a)	National counterpart (b) = (c) + (d)	Indicative breakdown of the national counterpart		Total funding (e) = (a) + (b)	Co-financing rate (f) = (a) / (e) (2)	For information	
					National public funding (c)	National private funding (d)			Contributions from third countries	EIB contributions
1	ERDF	Total	56,586,713.00	9,985,891.00	8,987,302.00	998,589.00	66,572,604.00	84.9999993992%		
1	IPA(e)	Total	5,315,911.00	938,102.00	844,291.00	93,811.00	6,254,013.00	84.9999992005%		
2	ERDF	Total	64,670,530.00	11,412,447.00	10,271,202.00	1,141,245.00	76,082,977.00	84.9999994085%		
2	IPA(e)	Total	6,075,327.00	1,072,117.00	964,905.00	107,212.00	7,147,444.00	84.9999944036%		
3	ERDF	Total	42,440,035.00	7,489,418.00	6,740,476.00	748,942.00	49,929,453.00	84.9999989999%		
3	IPA(e)	Total	3,986,934.00	703,577.00	633,219.00	70,358.00	4,690,511.00	84.9999925381%		
4	ERDF	Total	26,272,403.00	4,636,307.00	4,172,677.00	463,630.00	30,908,710.00	84.9999983823%		
4	IPA(e)	Total	2,468,101.00	435,548.00	391,993.00	43,555.00	2,903,649.00	84.9999776144%		
5	ERDF	Total	12,125,724.00	4,041,908.00	4,041,908.00	0.00	16,167,632.00	75.0000000000%		
5	IPA(e)	Total	1,982,919.00	349,927.00	349,927.00	0.00	2,332,846.00	84.9999957134%		
<b>Total</b>	<b>ERDF</b>		<b>202,095,405.00</b>	<b>37,565,971.00</b>	<b>34,213,565.00</b>	<b>3,352,406.00</b>	<b>239,661,376.00</b>	<b>84.3253962624%</b>		
<b>Total</b>	<b>IPA(e)</b>		<b>19,829,192.00</b>	<b>3,499,271.00</b>	<b>3,184,335.00</b>	<b>314,936.00</b>	<b>23,328,463.00</b>	<b>84.9999933558%</b>		
<b>Grand total</b>			<b>221,924,597.00</b>	<b>41,065,242.00</b>	<b>37,397,900.00</b>	<b>3,667,342.00</b>	<b>262,989,839.00</b>	<b>84.3852362676%</b>	<b>0</b>	<b>0</b>

(1) To be completed only when priority axes are expressed in total costs.

(2) This rate may be rounded to the nearest whole number in the table. The precise rate used to reimburse payments is the ratio (f).

### 3.2.B Breakdown by priority axis and thematic objective

**Table 17**

Priority axis	Thematic objective	Union support	National counterpart	Total funding
1	Strengthening research, technological development and innovation	56,586,713.00	9,985,891.00	66,572,604.00
1		5,315,911.00	938,102.00	6,254,013.00
2	Preserving and protecting the environment and promoting resource efficiency	64,670,530.00	11,412,447.00	76,082,977.00
2		6,075,327.00	1,072,117.00	7,147,444.00
3	Promoting sustainable transport and removing bottlenecks in key network infrastructures	42,440,035.00	7,489,418.00	49,929,453.00
3		3,986,934.00	703,577.00	4,690,511.00
4	Enhancing institutional capacity of public authorities and stakeholders and an efficient public administration	26,272,403.00	4,636,307.00	30,908,710.00
4		2,468,101.00	435,548.00	2,903,649.00
<b>Total</b>		<b>207,815,954.00</b>	<b>36,673,407.00</b>	<b>244,489,361.00</b>

**Table 18: Indicative amount of support to be used for climate change objectives**

Priority axis	Indicative amount of support to be used for climate change objectives (€)	Proportion of the total allocation to the programme (%)
1	6,190,262.00	2.79%
2	16,285,916.60	7.34%
3	27,856,181.20	12.55%
<b>Total</b>	<b>50,332,359.80</b>	<b>22.68%</b>

## **4. INTEGRATED APPROACH TO TERRITORIAL DEVELOPMENT**

Description of the integrated approach to territorial development, taking into account the content and objectives of the cooperation programme, including in relation to regions and areas referred to in Article 174(3) TFEU, having regard to the Partnership Agreements of the participating Member States, and showing how it contributes to the accomplishment of the programme objectives and expected results

The Danube Transnational Programme (DTP) will not use specific instruments for integrated territorial development offered by the EU regulations such as Community Led Local Development (CLLD) and Integrated Territorial Investment (ITI).

However, the DTP supports an integrated territorial approach which is mainly understood as a comprehensive and coordinated approach to planning and governance and territorial coordination of policies in specific territories.

The DTP recognizes that the territorial dimension and the coordination of EU and national sectorial policies are important principles in fostering territorial cohesion. Most policies at each territorial level can be made significantly more efficient and can achieve synergies with other policies if they take the territorial dimension and territorial impacts into account.

Therefore the DTP supports territorial approaches such as:

- territorial integration in cross-border and transnational functional regions;
- improving territorial connectivity for individuals, communities and enterprises;
- managing and connecting ecological, landscape and cultural values of regions along key green infrastructures;
- improve transnational water management and flood risk prevention in functional sub-basin areas in line with the overall Danube River Basin Management Plan.

### **4.1 Community-led local development** (where appropriate)

Approach to the use of community-led local development instruments and principles for identifying the areas where they will be implemented

Not applicable

### **4.2 Integrated actions for sustainable urban development** (where appropriate)

Principles for identifying the urban areas where integrated actions for sustainable urban development are to be implemented and the indicative allocation of the ERDF support for these actions

Not applicable

**Table 19: Integrated actions for sustainable urban development – indicative amounts of ERDF support**

Indicative amount of ERDF support (€)
0.00

#### **4.3 Integrated Territorial Investment (ITI) (where appropriate)**

Approach to the use of Integrated Territorial Investments (ITI) (as defined in Article 36 of Regulation (EU) No 1303/2013) other than in cases covered by 4.2, and their indicative financial allocation from each priority axis

Not applicable

**Table 20: Indicative financial allocation to ITI other than those mentioned under point 4.2 (aggregate amount)**

Priority axis	Indicative financial allocation (Union support) (€)
<b>Total</b>	<b>0.00</b>

#### **4.4 Contribution of planned interventions towards macro-regional and sea basin strategies, subject to the needs of the programme area as identified by the relevant Member States and taking into account, where applicable, strategically important projects identified in those strategies (where appropriate)**

**(Where Member States and regions participate in macro-regional and sea basin strategies)**

The Danube Transnational Programme pays due attention to the EU Strategy for the Danube Region (EUSDR) both in the programming process as well as in the implementation phase.

##### **4.4.1 Programming process**

During the programming process, the definition of the strategy, the selection and description of the thematic objectives and investment priorities of the cooperation programme take into consideration in particular the following Priority Areas (and key actions) of the EUSDR Action Plan 2010 (SEC 2010 1489).

**TO**

**IP**

**DTP specific objective (integrated approach)**

**Related EUSDR Priority Area (PA) where specific aspects are covered**

1 Research & innovation

1b

1.1 Improve the institutional and infrastructural framework conditions and policy instruments for research & innovation to ensure a broader access to knowledge for the development of new technologies and the social dimension of innovation

PA 07 | Knowledge Society

PA 08 | Competitiveness

PA 04 | Water Quality

1.2 Foster innovative learning systems to increase competences of employees in the business sector, strengthen entrepreneurial culture and learning contributing to better meet social needs and the delivery of services in the general interest

PA 08 | Competitiveness

PA 09 | People & Skills

6 Environment

6b

2.1 Strengthen joint and integrated approaches to further develop and implement River Basin Management Plans in the Partner States in line with the overall Danube River Basin Management Plan in order to improve transnational water management and flood risk prevention contributing to the sustainable provision of ecosystem services

PA 04 | Water Quality

PA 05 | Environmental Risks

6c

2.2 Strengthen joint and integrated approaches to preserve and manage the diversity of natural and cultural heritage and resources in the Danube region as a basis for sustainable development and growth strategies

PA 03 | Culture & Tourism

6d

2.3 Strengthen effective approaches to preservation, restoring and management of bio-corridors and wetlands with transnational relevance to contribute to the better conservation status of ecosystems of European relevance

PA 06 | Biodiversity, landscapes, quality of air and soils

2.4 Establish and develop a more effective governance system for environmental protection addressing emergency situations and improve the preparedness of public authorities and civil protection organisation contributing to the reduction of risks and impact on ecosystem services, biodiversity and human health.

PA 05 | Environmental Risks

7 Transport

7c

3.1 Improve planning, coordination and practical solutions for an environmentally-friendly, low-carbon and safer transport network and services in the programme area contributing to a balanced accessibility of urban and rural areas

PA 1B | Mobility | Rail-Road-Air

PA 1A | Mobility | Waterways

7e

3.2 Contribute to the energy security and energy efficiency of the region by supporting the development of joint regional storage and distribution solutions and strategies for increasing energy efficiency and renewable energy usage

PA 02 | Energy

11 Governance

11 a

4.1 Strengthen multilevel- and transnational governance and institutional capacities and provide viable institutional and legal frameworks for more effective, wider and deeper transnational cooperation across the Danube region in areas with major societal challenges

PA 10 | Institutional capacity and cooperation

PA 09 | People & Skills

PA 11 | Security

11 b

4.2 Improve the governance system and the capabilities and capacities of public institutions and key actors involved in complex transnational project development to implement the EUSDR in a more effective way

All PAs

To foster appropriate coordination of the DTP with the broader EU Strategy for the Danube Region in the programming phase three one day meetings were organized marking milestones of joint coordination:

- 21 May 2013, Ljubljana – Meeting with the PACs (EUSDR Priority Area Coordinators): PACs specified their expectations and concerns;

- 24 Jan 2014, Budapest – DPC (Danube Programming Committee) – NCP (National Contact Points now renamed as National-Coordinators) - PAC meeting: Stakeholders supported the three elements proposed by the European Commission to support EUSDR governance and implementation;
- 1 September 2014, Brussels – EC-DPC-EUSDR meeting: Participants specified details of the Danube Strategy Point and selected its location and hosting institution.

Besides these larger scale events Danube partner states continuously involved their national EUSDR stakeholders - directly or indirectly - into the preparation of the cooperation programme. EUSDR stakeholders took part at the **national stakeholder consultation events** which were held in June 2014 in most of the countries participating in the DTP. Several EUSDR National Co-ordinators (former National Contact Points) were permanent members of **National Programming Committee** delegations, providing personal and written inputs and reflections also to the selection of thematic objectives and development of the cooperation programmes' intervention logic.

#### 4.4.2 Implementation of the cooperation programme

During the implementation, the cooperation programme will ensure appropriate coordination with the macro-regional EU Strategy for the Danube Region.

Governance arrangements for ongoing mutual information exchange and coordination with NCs and PACs of EUSDR in areas of joint interest during the Danube Transnational Programme implementation are in place in all countries participating in the cooperation programme, e.g. National Committees.

During the inception phase of the cooperation programme closer working relationships between programme partners and EUSDR stakeholders will be sought in order to identify issues and activities of joint interest in the implementation phase; this should foster the awareness among programme partners who are involved in project generation as well as prepare the ground for capitalisation actions at a later stage (i.e. once the cooperation programme can show relevant results).

The cooperation programme will also support to the governance and implementation of the EUSDR by establishing a facility for direct support to EUSDR governance, a seed money/project development fund facility and the Danube Strategy Point.

A EUSDR specific category will be established in the monitoring system. Consequently, funding activities and/or projects contributing to the EUSDR will be identified in an appropriate way. This approach includes the consideration of EUSDR aspects in programme evaluations and reports, specifying how the cooperation programme contributes to the challenges and priority actions identified by the EUSDR.

The programme contributes to the objectives of the Danube River Protection Convention, through the indicative actions foreseen under SO 2.1 and 2.4.

Moreover, the Carpathian Convention with its related protocols is reflected by the programme, through the indicative actions foreseen under SO 2.2 , 2.3 , and 3.1 .

## 5. IMPLEMENTING PROVISIONS FOR THE COOPERATION PROGRAMME

### 5.1 Relevant authorities and bodies

**Table 21: Programme authorities**

Authority/body	Name of authority/body and department or unit	Name of the person responsible for the authority/body (position or post)
Managing authority	Ministry for National Economy Hungary, Danube Transnational Programme Managing Authority and Joint Secretariat	Head of Managing Authority (Head of department)
Certifying authority	Hungarian State Treasury	President
Audit authority	Directorate General for Audit of European Funds (DGAEF)	Director General

**The body to which payments will be made by the Commission is:**

- the Managing authority  
 the Certifying authority

**Table 22: Body or bodies carrying out control and audit tasks**

Authority/body	Name of authority/body and department or unit	Name of the person responsible for the authority/body (position or post)
Body or bodies designated to carry out control tasks	Agency for Regional Development of the Republic of Croatia (ARD)	Ms. Stella Arneri, Acting Director
Body or bodies designated to carry out control tasks	Central Financing and Contracting Unit (CFCU) within the Ministry of Finance and Treasury of BiH (MFT BiH)	Assistant Minister
Body or bodies designated to carry out control tasks	Centre of Regional Development of the Czech Republic	Mr Zdeněk Vašák, Head of CRD
Body or bodies designated to carry out control tasks	European Cooperation Programmes Control Department Central Control Unit within the Széchenyi Programme Office Consulting and Service Non-profit Limited Liability Company (Széchenyi Programiroda Non-profit Ltd.), Hungary	Ms Márta Gordos, head of department
Body or bodies designated to carry out control tasks	Federal Chancellery Department IV/4 Spatial Planning and Regional Policy, Austria	Head of Department, Mr Georg Schadt
Body or bodies designated to carry out control tasks	Government Office for Development and European Cohesion Policy, Control Division – ETC, IPA and IFM Programmes, Slovenia	Ms. Špela Dragar, Head of CControl Division – ETC, IPA and IFM Programmes
Body or bodies designated to carry out control tasks	Government Office of the Slovak Republic, Section of Operational Programmes	Peter Kostolny, General Director of the Section of Operational Programmes
Body or bodies designated to carry out control tasks	Ministry of Finance (Directorate for finance and contracting of the EU assistance funds – CFCU), Montenegro	Marija RADENović, General Director



<b>Authority/body</b>	<b>Name of authority/body and department or unit</b>	<b>Name of the person responsible for the authority/body (position or post)</b>
Body or bodies designated to carry out control tasks	Ministry of Finance Baden-Württemberg - EU-Financial Control (EFK) unit, Audit Authority / Independent audit unit for Structural Funds	Ms. Sibylle Weißenberger, Deputy Head of the EU-Financial Control (EFK) unit
Body or bodies designated to carry out control tasks	Ministry of Finance of Republic of Moldova	Octavian Armaşu, Minister (Eugen Cozmulici, Head of International Cooperation Division)
Body or bodies designated to carry out control tasks	Ministry of Finance of Ukraine	Mr. Sergiy Marchenko
Body or bodies designated to carry out control tasks	Ministry of Finance – Republic of Serbia, Department for Contracting and Financing of EU Funded Programmes (CFCU)	Dušan Čakrić, Acting Assistant Minister
Body or bodies designated to carry out control tasks	Ministry of Regional Development and Public Administration Directorate for First Level Control, Romania	Director
Body or bodies designated to carry out control tasks	"Territorial Cooperation Management" DG at the Ministry of Regional Development and Public Works, Bulgaria	Maria Duzova, Director General
Body or bodies designated to be responsible for carrying out audit tasks	Accounting Chamber of Ukraine	Mr. Vasyl Nevidomyi, Ms. Yuliya Myronenko, Ms. Yavorska Liudmyla Vasylivna, Ms. Gelevei Nadiya Olehivna
Body or bodies designated to be responsible for carrying out audit tasks	Agency for the Audit of European Union Programmes Implementation System (ARPA), Croatia	Mr. Neven Šprlje, Director
Body or bodies designated to be responsible for carrying out audit tasks	Audit Authority Office of EU Funds, Republic of Serbia	Miloš Todorović, Director
Body or bodies designated to be responsible for carrying out audit tasks	Audit Authority, Montenegro	Mila BARJAKTAROVIĆ, Head of Audit Authority
Body or bodies designated to be responsible for carrying out audit tasks	Bavarian State Ministry of Finance, Regional Development and Regional Identity	Dr. Stephan Albert, Adviser
Body or bodies designated to be responsible for carrying out audit tasks	Budget Supervision Office Of The Republic Of Slovenia	Mrs Nataša Prah, director
Body or bodies designated to be responsible for carrying out audit tasks	Court of Accounts of Republic of Moldova	Veaceslav UNTILA, President (Nina Onofrei, Head of the General Division on Methodology, planning and analysis)
Body or bodies designated to be responsible for carrying out audit tasks	Directorate General for Audit of European Funds (DGAEF), Hungary	Mr Balázs Dencső
Body or bodies designated to be responsible for carrying out	Federal Chancellery Department IV/3, ERDF Control, Austria	Mrs Susanna Rafalzik, Head of Department

Authority/body	Name of authority/body and department or unit	Name of the person responsible for the authority/body (position or post)
audit tasks		
Body or bodies designated to be responsible for carrying out audit tasks	Ministry of Finance of the Slovak Republic, Section of Audit and Control	Vladimir Urmanic, General Director of the Section of Audit and Control
Body or bodies designated to be responsible for carrying out audit tasks	Ministry of Finance, Audit Authority, Czech Republic	Mr Stanislav Bureš, Director of Audit Authority Department
Body or bodies designated to be responsible for carrying out audit tasks	National Fund (NF) within the Ministry of Finance and Treasury of BiH (MFT BiH)	Assistant Minister
Body or bodies designated to be responsible for carrying out audit tasks	Romanian Court of Accounts – Audit Authority	President
Body or bodies designated to be responsible for carrying out audit tasks	"Audit of EU Funds" Executive Agency, Bulgaria	Lyudmila Rangelova, Executive Director

## 5.2 Procedure for setting up the joint secretariat

In accordance with Article 23(2) of the ETC Regulation, the participating countries agreed to have an **integrated management structure** combining managing authority and joint secretariat functions to be set up **at the premises of the Ministry for National Economy of Hungary** in Budapest. Being integrated into a single department of the Ministry, the MA and the JS is a **functionally independent body** (guaranteeing the impartiality of the project application and evaluation process as well as of transnational programme implementation). Salary and general employment conditions for the MA and JS staff will be determined by the participating countries in line with the Technical Assistance budget (TA) of the Programme. Any changes in the structure and staffing of the MA or the JS have to be agreed by the Monitoring Committee (MC) of the Danube Transnational Programme (DTP).

The staff of the JS will be employed according to the applicable Hungarian legislation; however, **principal decisions regarding the personnel of the JS and of the MA are to be agreed by the participating countries**. Each position should be filled in by a tender procedure which - depending on the position - can be **open or restricted** and is based on technical job descriptions agreed by the MC. A **Recruitment Committee** should be set up by the MC in order to manage the recruitment process of the JS staff.

## 5.3 Summary description of the management and control arrangements

The following sections describe the implementation structures and arrangements of the DTP. More detailed provisions will be included in the description of the management and control system, in the **Programme Manual** (comprising the Applicants Manual and Implementation Manual), yearly Management Plans (including yearly Communication

Plans), Evaluation plan, **and other programme documents** to be adopted by the MC. **Partner States** comprising **EU Member States** namely Austria, Bulgaria, Croatia, the Czech Republic, Germany (Baden-Württemberg and Bayern), Hungary, Romania, Slovakia, Slovenia as well as IPAII beneficiaries listed in Annex I of Regulation (EU) No 231/2014 establishing an Instrument for Pre-accession Assistance (hereinafter referred to as **IPA beneficiary countries**) namely Bosnia and Herzegovina, Montenegro and Serbia established a shared management system to manage, coordinate and supervise the implementation of the DTP.

**ENI partner countries**, namely the Republic of Moldova and territories of Ukraine (Chernivetska Oblast, Ivano-Frankiviska Oblast, Zakarpatska Oblast, Odessa Oblast) also participate in the DTP.

In line with the principles of shared management referred to in Article 73 of the CPR, Member States and the European Commission shall be responsible for the management and control of the DTP.

Without prejudice to the provisions of the respective Financing Agreement concluded between the European Commission and the government of Bosnia and Herzegovina, Montenegro, the Republic of Serbia, the Republic of Moldova and Ukraine, also co-signed by the MA (on behalf of Hungary), the provisions of Regulation (EU) No 1303/2013, of Regulation (EU) No 1299/2013 as well as of acts based on these two Regulations shall apply.

**All Partner States** should ensure that effective arrangements for the verification in relation to all beneficiaries on their territories, for the examination of complaints, and audits are in place. Also, all Partner States will bear ultimate responsibility for recovering amounts unduly paid to beneficiaries and jointly assume liability for irregularities deriving from their common decisions made in the MC. Responsibilities of the Partner States (including the list of responsible authorities) in accordance with Articles 72 and 73 of the CPR are presented in details in Annex 01.

The programme language is **English**.

### 5.3.1 Institutions

A chart describing the management structures of the DTP is attached in Annex 02.

The **Monitoring Committee (MC)** – consisting of representatives of each participating country – supervises the implementation of the DTP and selects projects to be financed. Its overall task is to ensure the quality and effectiveness of programme implementation assisted by the Joint Secretariat.

The **Managing Authority (MA), assisted by the Joint Secretariat (JS)**, hosted by the Ministry for National Economy in Hungary, is responsible for the overall programme implementation; carrying out the functions laid down in Article 125 of the CPR as well as Article 23 of the ETC Regulation. The JS will be the central contact point for potential project applicants and Lead Beneficiaries of selected/running operations.

The counterparts for the MA with the coordination role on the territory of the participating countries will in the first instance be the MC members representing the national authorities responsible for the DTP. Therefore these MC members and their deputies respectively, will be the central contact persons to be contacted by the MA for all enquiries related to the implementation of the DTP in the participating countries.

The **Certifying Authority (CA)** will carry out the functions laid down in Article 24 of the ETC Regulation; in particular, the CA is responsible for drawing up and submitting certified statements of expenditure and applications for payment to the Commission and receiving payments from the Commission. The CA shall use the payments received from the Commission to reimburse the Lead Beneficiaries in accordance with Article 132 of the CPR.

The **Audit Authority (AA)** will carry out the functions laid down in Article 127 of CPR and Article 25(1) of the ETC Regulation; in particular, the AA will ensure that audits are carried out on the management and control systems, on an appropriate sample of operations and on the annual accounts. The AA will be assisted by a Group of Auditors (GoA) comprising of representatives from responsible bodies of each Partner State.

**National Contact Points (NCPs)** will be set up by each participating country to complement transnational activities of the MA and the JS by involving stakeholders from the national level as well as to contribute to the national and transnational programme management.

The **Lead beneficiary (LB)** located in one of the Danube Member States will be designated by all the beneficiaries participating in a project to carry out the tasks laid down in Article 13 of the ETC Regulation. In particular, the LB shall assume responsibility for ensuring implementation of the entire operation (including the arrangements for recovering amounts unduly paid); furthermore for ensuring that the expenditure presented by other beneficiaries has been incurred and corresponds to the activities agreed between all the beneficiaries, that it has been verified by a controller, and that the other beneficiaries receive the total amount of the contribution from the funds.

**Controllers** will be designated by each Partner State to ensure the compliance of expenditure incurred by the national project partners with Community and national rules, by carrying out verifications within the meaning of Article 23(4) of the ETC Regulation as well as Article 125(5) of the CPR, covering administrative, financial, technical and physical aspects of operations. Controllers shall be nominated in line with the national provisions of each Partner State. Each country participating in the DTP will be responsible for verifications carried out on its territory.

In line with Article 123 (9) of the CPR, Partner States shall lay down in writing rules governing their relations with the MA, the CA and the AA, the relations between such authorities, and the relations of such authorities with the Commission. The mentioned rules are contained in the CP, CP complement and the programme documents (all documents approved by the MC and relevant for DTP implementation including Programme Manual, Assessment Manual, Control Guidelines, TA Manual and other relevant documents).

### 5.3.2 Application

The overall aim of the DTP is to implement high quality, result oriented transnational projects of strategic character, relevant for the programme area.

Types of call for proposals:

- **Open** call for proposals (targeting all potential applicants and including all programme priorities)

- **Targeted** calls for project proposals:
  - focusing on specific programme priorities;
  - for elaborating specific thematic projects (based on detailed project descriptions);
  - in order to narrow the scope of potential beneficiaries;
  - setting specific eligibility criteria regarding the number and type of partners (or countries), activities etc.
- **Restricted** call for proposals for specific Beneficiaries designated by the MC (e.g. with regard to the support of the EUSDR).

Preparation of targeted calls can be supported by thematic seminars at the level of programme stakeholders (target groups, experts, programme management bodies etc.) to define potential fields of strategic cooperation, which can serve as the basis for targeted calls.

As for the types of application procedures, a single step or a two-step approach will be considered according to the specific characteristics of the call for proposals.

Types of project application procedures will be described in the Programme Manual.

Application procedures and templates will be developed for each call for proposals and included in **call-specific Application Packages** which will be widely circulated and available on the website of the DTP as well as on other websites to provide necessary guidance for the preparation of project applications.

### 5.3.3 Project development and selection

#### Project generation

Assistance and support will be given to potential applicants in developing their projects, as follows:

- MA and the JS as well as all participating countries (with the support of the NCPs) shall take care of spreading information on the DTP including funding opportunities to potential applicants. All such activities will be integrated in the Communication Strategy of the DTP.
- The JS (with the support of the NCP network) will provide information on specific calls for proposals to potential applicants.

While generating projects the following has to be ensured:

- All potential applicants (defined by each call for proposals respectively) shall have access to the same information regardless of their locations.
- The establishment of partnerships can be supported by programme bodies (JS & NCPs) by helping potential applicants find interested actors (e.g. by means of partner search events, etc.)

#### Project selection

The JS (assisted by NCPs/Partner States in eligibility issues and external experts focusing on thematic aspects) will organise and guarantee the impartial assessment of all applications based on the eligibility criteria (describing the minimum requirements) and quality criteria (strategic and operational ones) approved by the MC. The applications submitted will be made available to the MC members, as well as the results of the assessment together with proposals for decision making.

Project selection will be the overall responsibility of the MC in accordance with Article 12 of the ETC Regulation. In order to achieve programme goals, the MC shall support projects with real transnational character and strong result-oriented approach, reflected in the:

- transnational relevance of the topic/theme;
- delivery of concrete and measurable outputs and results, in response to well identified transnational challenges affecting the programme area;
- delivery of durable outputs and results, such as implementing/mainstreaming investments prepared in transnational context
- quality of the partnership of the project[1];
- efficiency in terms of mobilised resources;
- contribution to sustainable development;
- integrated territorial approach;

Projects focusing on purely academic cooperation or basic research or aiming at mere networking and exchanging of experience and/or not demonstrating the translation of outputs arising from “soft” actions (surveys, studies, networks, etc.) into concrete and sustainable results will not be supported by the DTP.

Any support given by the DTP falling under state aid (including *de minimis aid*) shall be in conformity with the legal framework of the European Union. The specific State aid rules to be applied will be described in the Application Manual.

#### 5.3.4 Contracting

The subsidy contract template will be developed by the MA and approved by the MC.

Project Lead Applicants will be informed in writing by the JS on the MC decision regarding the approval or rejection of their application, including the conditions/recommendations for approval or reasons for rejection. Following the formal MC decision (and possible condition clearing period) the MA will conclude a Subsidy Contract with the LB of each selected project.

#### 5.3.5 Eligibility of Beneficiaries and project partners

In line with Article 2(10) of the CPR, beneficiaries are responsible for initiating and/or implementing projects. They can be public or private legal entities or international organizations acting under the national law of any Danube Partner State (or under international law provided that the international organization fulfils the programme and national requirements in terms of control and validation of costs); and shall cooperate in

accordance with Article 12(4) of the ETC Regulation. The eligibility of applicants will be specified in the Application Package for each call for proposals. The MC can restrict the scope of eligible applicants for a given Call taking into account the specific arrangements of that CFP.

Third parties may also be subcontracted by LBs or project partners to carry out parts of their activities in a project; in this case, the applicable public procurement rules have to be respected. In case of subcontracting, the responsibility for implementation of the respective project will remain with the contracting body, i.e. the respective LB or project partner. For the award of service, supply and work contracts by IPA or ENI project partners, the procurement procedures shall follow the provisions of the relevant Financing Agreement.

As a general principle, eligible applicants of the DTP shall be located (registered) in the programme area (i.e. the whole territory of the DTP).

Central budgetary organizations/national public authorities, located outside the programme area, of those countries which are not participating with their whole territory in the DTP (Germany and Ukraine) are also eligible provided they are competent in their scope of authority for certain parts of the programme area. These organizations will have the same rights and obligations as any other project partners located in the DTP area.

In exceptional cases, if the MC decides accordingly, project applicants / beneficiaries located outside the programme area (within the EU or in third countries) may also be eligible up to maximum 20% of the support from the ERDF at programme level in accordance with Article 20(2) of the ETC Regulation, however, the benefit brought to the programme area by spending ERDF resources externally has to be monitored during both project selection and in the course of validation of project costs. The MC has the right to introduce territorial limitations in using the above derogation with regard to eligibility of operations depending on location for different Calls for proposals.

### 5.3.6 Information and communication

An overall communication strategy for the whole programming period will be developed in line with Article 116 of the CPR and submitted to the MC for approval within six months after the adoption of the DTP by the European Commission. It will take into account detailed rules concerning information and communication measures as laid down in Article 115 and Annex XII of the CPR. Detailed yearly information and publicity plans will be developed by the JS (with the involvement of NCPs) and will be subject to MC approval.

The JS and the network of NCPs are the key actors of implementing the yearly information and publicity plans. While overall responsibility for communications rests with the MA, participating countries shall complement transnational activities at national and regional level by setting up and securing the proper functioning of the network of NCPs. Projects supported by the DTP shall also play an important role in communicating project achievements at all levels.

### 5.3.7 Reporting

In order to provide information on the progress of project implementation as described in the work plan of the project, Project Progress reports (PR) and Applications for Reimbursement (AfR) will be submitted by the LB to the JS on a regular basis (generally in every 6 months) according to the provisions and deadlines outlined in the subsidy

contract. The final progress report should be submitted together with the last AfR within three months after completion of the project.

The JS will check the compliance of the submitted PRs with the approved applications and verify the existence of the activities reported and progress made by analysing outputs delivered.

The JS may request additional information and ask for clarification from LBs. The JS will also carry out monitoring visits to meet project partners and in order to improve the performance of projects.

#### 5.3.8 Control system

The process of verification within the meaning of Article 23(4) of the ETC Regulation as well as Article 125(4)(a)(b) and 125(5) of the CPR carried out at national level includes administrative verification in respect of each application for reimbursement by beneficiaries and on the spot verifications, as appropriate. Each participating country will designate controller(s) responsible for carrying out the verifications in relation to all beneficiaries on its territory.

The MA shall satisfy itself that the expenditure of each project partner participating in an operation has been verified by a designated controller. In principle, each Partner State should ensure that the expenditure can be verified within a period of two months from the submission of the documents by the project partners allowing for timely submission of PRs by the LB within a three months period from the end of each reporting period.

To ensure smooth functioning of the control system in the Partner States, representatives of controllers of each partner state will be organised in a **network of controllers** which will be coordinated and supported by the MA. Regular consultations and trainings for the network of controllers shall be organised during the programme implementation period.

In order to ensure the common understanding of the rules applied for control at national level, “**Control Guidelines**” serving as a methodological guidance including standard templates will be developed at programme level by the MA.

Each participating country will, apart from the designation of the controllers, also be responsible for their training on EU and national requirements as well as for the quality check of the control work.

The MA, and the CA **should be regularly informed on the functioning of the control system** set up by each Partner State. Furthermore, to ensure coherence among control systems of all partner states, the MA will collect information from all Partner States on the establishment and functioning of the respective control systems **in accordance with Articles 72 and 74 of the CPR**. Partner States shall provide a description by using the template provided by the MA. Changes in the respective system shall result in an updated description to be forwarded to the MA without delay.

According to Article 125(4)(e) of the CPR, the **MA shall draw up the management declaration** of assurance on the functioning of the management and control system, the legality and regularity of underlying transactions and the respect of the principle of sound financial management, together with a report setting out the results of management controls carried out, any weaknesses identified in the management and control system and any corrective action taken.



The costs for national level control activities could be financed from national sources of the Partner States or (in case of decentralised systems) from the projects' budgets.

### 5.3.9 Financial procedures

Description of financial procedures from project level to programme level (ERDF, IPA and ENI)

The financial management procedures for the DTP will be the same for the reimbursement of the ERDF, IPA and ENI contributions. The process for payments to LBs will be described in details in the Programme Manual.

The financial procedure including the reimbursement of validated TA expenditure to TA beneficiaries will also be described in the Programme Manual to be approved by the MC.

Programme level financial procedures and verification process

The CA opens one single account to manage the ERDF, IPA and ENI funding, the national TA contributions and the transfers to the LBs and to the TA beneficiaries.

In support of the certification activity of the CA, the MA operates a **verification reporting system**. Before compiling the statement of expenditure to the European Commission the MA submits a programme level verification report on the procedures and verifications carried out in relation to expenditure included in the statements of expenditure.

In order to have adequate information on the validation and verification of expenditure the MA will request information in the form of a Partner State verification report from each Partner State.

### 5.3.10 Resolution of complaints

The procedures set in place for the resolution of complaints are differentiated according to the object of the complaint and will formally be regulated in the Programme Manual. In particular, specific procedures apply with regard to complaints introduced by applicants or project (lead) partners, as set out below.

*Complaints related to assessment and selection:*

Project Lead Applicants will be informed in writing by the JS on the MC decision regarding the approval or rejection of their applications, including the reasons for rejection. Any complaint related to the assessment shall be submitted by the Lead Applicant to the MA that, in collaboration with the MC, will examine and provide its position regarding the merit of the complaint. In case of appeals, a „Review Panel” will be established consisting of members of the JS not involved directly in the assessment as well as the MA to conclude whether the appeal was justified or not. The MC may also be involved if deemed necessary. In case of appeal to the judiciary system against the decision of the programme authorities during the project assessment and selection process, the court of Hungary has the jurisdiction on the matter.

*Complaints related to decisions made by the MA or the JS during project implementation:*

Any complaints in relation to decisions made by the MA or the JS during project implementation on the basis of the subsidy contract shall be submitted by the project LB to the MA that will examine and provide an answer (in collaboration with the MC if necessary).

#### *Complaints related to the national control system:*

Project LBs or Project Partners who have complaints related to the national control system set up in accordance with Article 23(4) of the ETC Regulation, can file a complaint to the responsible national institution of the relevant Partner State following national procedures in place in accordance with Article 74(3) of the CPR. The relevant Partner State shall examine such complaints and inform the MA of the results.

#### 5.3.11 Monitoring and information system

In accordance with Article 125 (2) of the CPR, the MA is responsible for setting up of an electronic data exchange system to record and store in computerised form data on each operation necessary for monitoring, evaluation, financial management, verification and audit, including data on individual participants in operations.

The computer system used will support both the project cycle and the programme implementation and meet accepted security standards to ensure that the documents held comply with national legal requirements and can be relied on for audit purposes.

The development, implementation, support and maintenance of the programme monitoring and information system shall be financed from the TA budget.

#### 5.3.12 Electronic data exchange system

As stipulated in Articles 74 and 112 of the CPR, data exchange with the EC will be carried out electronically.

#### 5.3.13 Annual and Final Implementation Reports

In accordance with Article 14 of the ETC Regulation and Art 50 of the CPR, the MA will submit annual implementation reports to the European Commission by 31 May 2016 and by the same date of each subsequent year until and including 2023 (except for the years 2017 and 2019, for which the deadline is set as 30 June). All reports shall be approved by the MC prior to submission. The annual implementation reports will be drafted by the JS primarily on the basis of applicable data provided by projects in the project progress reports and final reports, and also by other programme management bodies. A final implementation report will be submitted to the Commission in due time following the same procedures as the annual reports.

#### 5.3.14 Programme Evaluation

Evaluations shall be carried out to improve the quality of the design and implementation of programmes, as well as to assess their effectiveness, efficiency and impact. Evaluations will be carried out by internal or external experts that are functionally independent of the authorities responsible for programme implementation; and financed from the TA budget of the DTP.

An ex-ante evaluation of the DTP incorporating the requirements for strategic environmental assessment was carried out by independent evaluators in accordance with

Article 55(3) of the CPR with the aim to improve programme quality. The recommendations of the evaluation have been taken into account during the drafting of the DTP as described in Annex A.

In accordance with Article 56 of the CPR the MA will ensure that evaluations are carried out on the basis of an evaluation plan to be approved by the MC in line with Article 110(2)(c) of the CPR. The evaluation plan drawn up by the MA will include the arrangements and timing of the external evaluations.

At least once during the programming period, an evaluation should assess how the support from the funds provided has contributed to the achievement of the objectives for each priority.

In compliance with Article 57 of the CPR, an ex-post evaluation shall be completed by the European Commission in cooperation with the Partner States by 31 December 2024.

#### 5.3.15 Specific implementation rules of the TA budget

TA is necessary to assist the joint structures in implementing the DTP, i.e. to support the activities of the MA, the JS, the certification and the audit activities and transnational activities of the NCPs.

Activities covered by the TA will be financed using the project management approach in the form of 'TA projects'. TA projects are jointly financed from Community contribution and national TA contribution of the Partner States. The share of national TA contributions of the Partner States to the TA budgets will be fixed per countries and per years in the TA Manual.

The Partner States transfer their national TA contribution in advance on a yearly basis as follows:

- 2014 and 2015 national TA contributions to be transferred in 3 months following the approval of the CP;
- From 2016, national TA contributions to be transferred by 31 January of the year concerned.

TA will be managed **in an integrated TA system**, including financial management procedures, eligibility rules and procurements to be regulated in the TA Manual of the DTP. Specific activities to be carried out within the scope of TA and management arrangements will also be described in the TA Manual.

#### 5.3.16 Arrangements in case of implementation difficulties

In case of implementation difficulties, the Partner States concerned shall support the MA to clarify the individual cases and help to lift potential sanctions imposed to the DTP, to a LB or to a Project Partner.

#### Irregularities and recovery of funds unduly paid

Without prejudice to the specific recovery chain as set out in Article 27(3) of the ETC Regulation (see also the 1st paragraph of Section 5.4 below), the following applies.

In accordance with Article 122(2) of the CPR, Partner States shall prevent, detect and correct irregularities and shall recover amounts unduly paid, together with any interest on late payments. They shall notify the Commission of irregularities that exceed EUR 10,000 in contribution from the Funds and shall keep it informed of significant progress in related administrative and legal proceedings.

Responsibilities of Partner States related to handling irregularities contain two main duties, one is the reporting to the Commission and to the Managing Authority and the other is the recovery of the amounts unduly paid.

The Partner States shall not notify the Commission of irregularities in relation to cases as defined in Article 122(2)(a-c) of the CPR.

In accordance with Article 143 of the CPR, the Partner States shall in the first instance be responsible for investigating irregularities and for making the financial corrections required and pursuing recoveries. For arrangements in case of irregularities and related financial corrections reference is made in Section 5.4 of the present document and will also be dealt with in the Financing Agreements.

Financial corrections (amounts to be withdrawn, deducted or recovered) required in connection with individual or systemic irregularities detected in projects or in TA projects of the DTP will be monitored by the CA and included in the subsequent statement of expenditure submitted to the Commission.

Irregularities involving financial corrections detected by the AA shall be deducted from the statement of expenditure submitted to the Commission and shall be recovered by Partner States. Systemic errors on Programme level might be detected by the AA and/or the GoA or the European Commission and might lead to financial corrections imposed by the European Commission based on Articles 85 and 144 to 147 of the CPR.

In case an investigation has been initiated in relation to a possible irregularity affecting the expenditure of a project partner, the MA may interrupt the payment deadline referred to in Article 132(1). The LB concerned shall be informed in writing of the interruption and the reasons for it. Detailed procedures on the recovery of funds from the project partnership will be described in the Programme Manual and in the Subsidy Contract.

In case of interruption or suspension of payments by the European Commission due to errors, irregularities or even external factors, such as cash flow gaps at European level, the MA shall inform the beneficiaries and the MC about the suspension and the reasons for it immediately after being notified. The MA will develop an action plan to address the causes of the suspension in line with the indications provided by the European Commission. The MC shall be informed of all steps taken, in particular on the measures agreed with the European Commission and on the consequences of the suspension in the progress of the DTP.

Non-respect of the agreed provisions and deadlines

In case of non-respect of provisions agreed among Partner States (where controls or audits demonstrate systemic or recurrent errors, irregularities, fraud or breach of obligations especially which call into question the reliability of the internal control systems of the PSs concerned or the legality and regularity of the underlying transactions) the MA may propose to the MC the suspension of part or all of the payments to project partners located on the territory of the concerned Partner State in proportion to the seriousness of the errors, irregularities, fraud or of the breach of

obligations, provided that the Partner State has been given the opportunity to make observations. In its proposal, the MA shall also set out the grounds for concluding that the Partner State has failed to take effective action. Decisions will be made on a case by case basis.

Procedures for handling cases of non-respect of agreed provisions and deadlines on project level will be provided for in the Subsidy Contract and programme documents.

#### 5.3.17 Arrangements for the closure of the programme

In accordance with the CPR, the final closure of the DTP will be based only on the documents relating to the final accounting year and the final implementation report. The MA and the Partner States will ensure that the submission of the closure package will be managed between all the involved parties on time, taking into account especially the aspect of financial and human resources (needed for the coordination, for providing an audit trail and proper documentation and maintaining a well-functioning monitoring and control system as well as to address further requests received by the European Commission after the submission of closure documents).

The MA together with Partner States undertake that all project activities can be performed and financial closure of projects should be concluded well before the end of the eligibility period to facilitate timely submission of the final implementation report.

[1] As a general rule, the partnership should involve at least three financing partners from at least three participating countries, at least one of which shall be located in a Member State. Different implementation rules may apply, however, for specific schemes developed to support macro-regional strategies under Priority 4, where sole beneficiaries can also participate. Partners shall be competent for the development, implementation and follow-up of project results, and comply with all eligibility rules of the DTP.

### **5.4 Apportionment of liabilities among participating Member States in case of financial corrections imposed by the managing authority or the Commission**

Without prejudice to the Member States' responsibility for detecting and correcting irregularities and for recovering amounts unduly paid according to Article 122(2) CPR, and in accordance with Article 27 (3) of the ETC Regulation the **MA shall ensure that any amount paid as a result of an irregularity is recovered from the LB**. The project partners shall repay the LB any amounts unduly paid. If the LB does not succeed in securing repayment from a project partner or if the MA does not succeed in securing repayment from the LB, **the Partner State on whose territory the project partner concerned is located shall reimburse to the MA** the amount unduly paid to that project partner. The MA is responsible for reimbursing the amounts concerned (once recovered) to the general budget of the Union, in accordance with the apportionment of liabilities among the Danube Partner States as laid down below.

Since Partner States have the overall liability for the Community support (ERDF/IPA/ENI) granted to LBs or PPs located on their territories, they shall ensure that – prior to certifying expenditure – any financial corrections required will be secured and

they shall seek to recover any amounts lost as a result of an irregularity or negligence caused by a beneficiary located in their territory. Where appropriate, a Partner State may also charge interest on late payments.

The Partner States will bear liability in connection with the use of the programme ERDF/IPA/ENI funding as follows:

- Each Partner State bears liability for possible financial consequences of irregularities caused by the LBs and Project Partners located on its territory and its own control system (e.g. systematic irregularity attributable to the national control system);
- For a systemic irregularity or financial correction on programme level that cannot be linked to a specific Partner State (i.e. grounded on the decisions of the MC), the liability shall be jointly borne by the Partner States in proportion to the ERDF/IPA/ENI claimed to the European Commission for the period which forms the basis for the financial correction; if there is a need for a financial correction on programme level because of the irregular amounts proposed by the AA in a single year exceed 2 % of the validated funds (separated according to ERDF, IPA or ENI) in that year, the Partner States shall be liable for the payment of such correction. Based on the decision of the MC each Partner State shall pay a share of the correction which is proportional to the amounts found by the AA either in the random sample or due to a systemic error, to be wrongfully validated by that Partner State;
- In case the MA, CA or AA commits an irregularity as being a TA beneficiary of the DTP or with regard to any technical-level task related to its own responsibility, the Partner State on whose territory the concerned authority is located (i.e. Hungary) shall reimburse the European Commission the amount unduly paid.
- For TA expenditure incurred by national structures established by Partner States in order to support the programme implementation at national level (e.g. NCPs), the liability shall be borne by the Partner State where the concerned TA Beneficiary is located.

## 5.5 Use of the Euro (where appropriate)

Method chosen for the conversion of expenditure incurred in another currency than the Euro

Expenditure incurred by project partners in a currency other than the euro shall be converted into euro by using the **monthly accounting exchange rate of the European Commission in the month during which the expenditure was submitted for verification to the controller in line with the Article 28 (b) of Regulation (EU) No 1299/2013**

The conversion shall be verified by the controller in the Partner State in which the respective project partner is located.

## 5.6 Involvement of partners

Actions taken to involve the partners referred to in Article 5 of Regulation (EU) No 1303/2013 in the preparation of the cooperation programme, and the role of those partners in the preparation and implementation of the cooperation programme, including their involvement in the monitoring committee

### **Involvement of partners in the preparation of the cooperation programme**

Developing programmes according to the “partnership principle” is a distinct requirement by EU legislation. According to Article 5 of CPR the preparation of the cooperation programme should involve a partnership with competent regional and local authorities. The partnership shall also include the following partners: competent urban and other public authorities; economic and social partners; and relevant bodies representing civil society, including environmental partners, non-governmental organisations, and bodies responsible for promoting social inclusion, gender equality and non discrimination.

The main reason for involving stakeholders in programming is to identify mutual interests and needs, secure commitment and ownership for the programme and ensure its practical implementation.

The Danube Transnational Programme introduced a number of platforms for effective communication with relevant partners and stakeholders throughout the programming process.

The **Programming Committee** (PC) for preparation of the programme for 2014-2020 was established at the 5th of February 2013; and held 10 meetings in the period between February 2013 and September 2014. It was composed of representatives of national and regional authorities of the 14 participating Partner States, the future MA and observers. The main task of the PC was to develop the cooperation programme document. The PC made its decisions on the basis of consensus. Its tasks include also the organisation and facilitation of a dialogue with relevant stakeholders (including the EU Strategy for the Danube Region - EUSDR) and of linkages with national consultations. Representative of the European Commission were regularly invited and participated in the PC sessions.

After finalizing the first draft version of the cooperation programme, in June 2014 the document was launched for a **public consultation procedure**. Since the document was not entirely finalized, only the first two sections were opened for consultations: the strategy of the programme and the description of priority axes. In order to reach the largest possible participation, the procedure consisted of two elements: national stakeholder consultation events and online consultation. The aim was to match the needs and interests of the stakeholders and target groups from the region with the findings of the territorial analysis, the strategic framework provided by the EUSDR and the intervention approach already identified by the Programming Committee.

The **national stakeholder consultation events** were organized during June 2014 in most of the countries participating in the Danube Transnational Programme (in total 10 stakeholder consultation events were held). The organization of the events was the

responsibility of the members of the Programming Committee, technical assistance being offered by the team of external experts in charge with the elaboration of the cooperation programme.

Invitations to take part in the events were sent out to the relevant stakeholders existing in the databases of the representatives in the Programming Committee. Experts in relevant fields, economic and social partners and bodies responsible for sustainable development, equal opportunities and non-discrimination were taking part in the events. In case the number of participants was sufficient, the organizers were encouraged to form four working groups, related to the four priority axes, in order to focus the discussion on the specific topics and to give the possibility for everybody to make their comments in their own field of competence.

The outcomes of the debates were centralized in the so-called “harvesting sheets” in order to better compare the data and manage the information, and are presented in full in the Annex to the present document (see Report on Public Consultation Procedure, 24 June 2014).

In parallel to national stakeholder consultation events the **online survey** was open to a wider participation of actors. The exercise served as a bridge between a top-down and bottom-up approach to developing the cooperation programme.

The online platform was opened for the public in between 6th and 16th of June 2014. In order to reach as many relevant stakeholders as possible, besides the approximately 1,500 invitation e-mails sent to the contact persons existing in the SEE JTS database, the procedure was advertised on Central 2014-2020 Programme’s webpage as well.

The respondents were inquired along the fields of actions identified for each of the Thematic Objective and Specific Objective of the draft cooperation programme, which was available for downloading on the online platform. They were asked to rank the fields of actions according to their relevance for the region, from transnational cooperation perspective. Based on their opinion, the team of external experts prepared a set of recommendations related to their inclusion in the future Danube Transnational Programme. The recommendations are based exclusively on the results of the online survey, without considering other elements of the public consultation process.

In order to ensure a high degree of accuracy of the results, those questionnaires which did not contain the name of the organization were not taken into consideration. Counting only the valid ones, 257 questionnaires were filled in by the respondents.

The respondents were asked to mark their field of competence and to answer only those topics which are within their expertise. Nevertheless, they had the possibility to choose more than one field of competence, considering that among the responding organizations there were institutions with an active role in more than one topic (e.g. municipalities, development agencies, universities, etc).

Additionally, the stakeholders were given the possibility to make comments related to the content of the draft cooperation programme. More than 228 comments were received and analysed, the results being presented in the Annex to the present document.

The **Strategic Environmental Assessment (SEA)** of the programme was based on a public consultation process in a 60 days period from August 2014 to October 2014. A wider public in all Partner States had an opportunity to comment on the cooperation programme, particularly taking into account the expected environmental impacts of



implementation. The environmental recommendations were incorporated in the final version of the cooperation programme.

### **Involvement of partners in the implementation of the cooperation programme**

Representatives of relevant state administration and regional/local authorities as well as other socio-economic partners from the Partner States actively participate in the implementation of the cooperation programme.

The administrative level of all participating Partner States will be represented in the Monitoring Committee (MC), which among other tasks is responsible for approval of appraisal and selection criteria and selection of operations to be funded from the cooperation programme.

The partnership principle will be ensured by the MC representatives through the prior involvement of relevant partners in national coordination committees (or other mechanisms/bodies as provided by the respective national rules) in preparation of the MC meetings.

National coordination committees support the MC members in the execution of MC tasks, including the preparation of calls for proposals and programme progress reports as well as the monitoring and evaluation of the programme. National coordination committees will be organised in compliance with applicable national requirements concerning their composition, functioning and management of obligations on data protection, confidentiality and conflict of interest.

National coordination committees represent the platforms in which relevant national partners can voice their positions on strategic matters concerning the implementation of the programme. Moreover national committees (or other mechanisms/bodies as provided for by the respective national rules) will allow improving the coordination with ESI programmes and other national funding instruments through involving representatives of institutions participating in the implementation of relevant national and/or regional programmes.

## 6. COORDINATION

The mechanisms that ensure effective coordination between the ERDF, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and other Union and national funding instruments, including the coordination and possible combination with the Connecting Europe Facility, the ENI, the European Development Fund (EDF) and the IPA and with the EIB, taking into account the provisions laid down in the Common Strategic Framework as set out in Annex I to Regulation (EU) No 1303/2013. Where Member States and third countries participate in cooperation programmes that include the use of ERDF appropriations for outermost regions and resources from the EDF, coordination mechanisms at the appropriate level to facilitate effective coordination in the use of these resources

### Coordination among ESI-Funds

The programme bodies and Partner States aim at using synergies and avoiding overlapping between the different ESI-funded programmes. Thus, coordination and complementarity with such programmes is essential for the envisaged most efficient and effective use of Union funds allocated to the cooperation programme.

The following activities will be undertaken to ensure coordination with other ESI-funded programmes:

- When submitting proposals, applicants will have to describe the coherence and complementarity with national and regional programmes supported by ESI funds within a section in the application form, thus giving evidence of the added value to be expected by transnational cooperation. In particular, applicants proposing actions with a focus on investment preparation will have to explain how to link to other national and regional programmes of the Investments for Growth and Jobs goal supported by the ERDF and ESF as well as with the Cohesion Fund, EAFRD (in particular with reference to the Leader initiative) and EMFF programmes.
- National coordination committees (or other mechanisms/bodies as provided by national rules) supporting the monitoring committee members will involve representatives of institutions participating in the implementation of national and regional programmes supported by the ESI funds, seeking (to the possible extent) to achieve coordination at all stages of the programme lifetime.
- The MA and the JS in cooperation with the network of national contact points will communicate outputs and results of Danube Transnational Programme operations through relevant tools and measures implemented both at the transnational and national levels as defined in the programme communication strategy.
- The cooperation programme will make use of transnational events and instruments to strengthen coordination with other programmes and initiatives. In particular EUSDR related events and instruments will help to better coordinate DTP activities with other ESI-funded programmes. These events and instruments are for example the
  - Annual Forum of the EU Strategy for the Danube Region, where different programmes meet;
  - Annual meetings of the Danube Transnational Programme;

-INTERACT platforms;

- Danube Strategy Point.

Regarding coordination with other ESI funds, special attention will be given to the possibility of coordination with other programmes of the European Territorial Cooperation (ETC) objective. In this regard the Danube Transnational Programme will seek exchanges with the managing authorities of other, geographically overlapping ETC programmes. Particular potential for efficient coordination is expected with these neighbouring transnational programmes through realising the:

- Exchange of information during the assessment of applications in order to detect and to avoid to the possible extent potential overlapping and duplications as well as to activate synergies between complementary operations being implemented in different cooperation areas.
- Exchange of information during the monitoring of the implementation of approved operations, in order to set up cross-fertilisation actions (including events and trainings for beneficiaries) that allow unfolding synergies between operations that tackle the same challenge and address shared needs of stakeholders located in different cooperation areas.
- Use of the geographical flexibility, as provided for in Article 20(2) of the ETC Regulation, that allows to develop transnational operations with a geographical scope going beyond the programme area, thus establishing links, creating opportunities and promoting sustainable development within and across areas sharing common features (e.g. corridors and macro regions).

Coordination with other EU funding instruments

Furthermore, coordination with other union instruments relevant for policy areas concerned by the ERDF is important. The programme tackles issues that are complementary to diverse EU funding instruments; of particular relevance for the Programme area are the following:

- HORIZON 2020;
- Programme for the Competitiveness of Enterprises and SMEs (COSME) 2014-2020;
- LIFE;
- Connecting Europe Facility;
- High-growth and innovation SME facility (GIF);
- Risk Sharing Finance Facility (RSFF);
- PROGRESS.

Coordination with these other EU funding instruments will be ensured on project and on programme level. When submitting a project proposal, applicants will have to describe the coherence and complementarity of their project with other Union instruments of relevance for the topics addressed by their proposals.

At programme level coordination and complementarity shall be achieved by clearly communicating, especially in the terms of reference, and by taking into account in the phase of project evaluation that the programme will not supplement the above mentioned programmes but support projects that provide for a transnational dimension of these issues. This means that the cooperation programme could fund the preparation of projects that will be carried out in the framework of other programmes or vice versa that results achieved by projects funded by other programmes could be put in practise in a transnational dimension in the cooperation programme.

#### Coordination with national and regional funding instruments

Transnational projects have the potential to improve national, regional and local policies and related funding instruments. With regard to the principle of proportionality and within the given limits the cooperation programme will seek to coordinate with national and regional funding instruments. This shall be done in the ways as described in the section “Coordination among ESI-Funds”.

#### Coordination with EIB

Projects funded by the cooperation programme can prepare the ground for large investments which could be funded by financial instruments administered by the EIB. Coordination with EIB will be sought by the cooperation programme through information and support to beneficiaries on funding possibilities offered by the EIB which could be used for follow-up measures on projects funded by the cooperation programme.

## 7. REDUCTION OF ADMINISTRATIVE BURDEN FOR BENEFICIARIES

Summary of the assessment of the administrative burden for beneficiaries and, where necessary, the actions planned accompanied by an indicative timeframe to reduce the administrative burden.

Simplification presents itself in many forms, some of them explicit and direct, while others may need transposition in the national rules. Some of the key aspects of simplification **are already included in the Commission's regulations**; they can be achieved through different methods, such as harmonisation of rules (e.g. CPR for several funds; DR for eligibility in ETC programmes, e-cohesion), increased flexibility and proportionality (e.g. lighter annual reports, introduction of rolling closure), digitalisation of documents and processes, and the clarification of the implementation rules.

Simplification and streamlining programme implementation is essential for the proper functioning of the **DTP**, inasmuch as, it allows reducing administrative burdens of both beneficiaries and programme management bodies. A wide range of experiences and lessons learnt are available – **gained during the implementation of the SEE Programme** – which have been considered already in the preparation phase of the DTP. Such simplification measures include:

- Keeping the programme management structure as simple as possible and **integrating MA and JS functions** will considerably reduce both the length of the procedures and the cost of management, and at the same time ensures an enhanced transparency.
  - Special attention will be paid to the **timely reimbursement of funds** to final beneficiaries: based on the application for reimbursement approved by the MA the CA transfers the ERDF, IPA and ENI contribution **directly** to LBs (i.e. no intermediate body will be involved as in case of the SEE Programme in the 2007-2013 period) leading to quicker payment of Community funds.
  - The **financial management system** of the DTP will be further simplified by having one single bank account managed by the CA (compared to 5 bank accounts handled in case of the SEE Programme in the 2007-2013 period). All transfers of funds (Community and national TA contributions of operations for 14 Partner States) will be settled on the **single programme bank account**, resulting in time-, and cost saving payment procedures.
  - **Harmonised procedures** allowing more **intense coordination of national control systems** will be introduced by establishing a direct link between the joint programme management and the national control systems in the Monitoring System of the DTP.
- Controllers of all 14 Partner States will have the possibility to **verify expenditure** of relevant project partners **in a single Monitoring System**, which makes all financial data uniform as well as retrievable. The process would not only be more transparent, but also much faster for LBs, as cumulative data will be compiled automatically from partner level to project level by the Monitoring System; ensuring an adequate audit trail. In addition, this would reduce problems in data retention, mistakes in data insertion, and the burden of sub-mitting hard-copies of documents.

- **Connecting procedures for controls, submission of Project Progress Reports by the LBs and the monitoring of programme level financial data** by the MA would substantially reduce the timeframe of the verification process.
- The **submission of applications and supporting documents will be requested only in electronic version at the application phase**; signed hardcopies are to be provided only if an application is selected for funding by MC. Such simplification of the submission procedure of applications (i.e. by eliminating formal/administrative requirements) could considerably reduce the number of ineligible applications; at the same time it recognizes the efforts spent by project partnerships in preparing them as well as spares programme resources.
- **Streamlined monitoring of project progress** which would also contribute to speeding up the reimbursement process: the JS shall focus on the **analysis of main deliverables** (clearly defined beforehand) rather than the analysis of minor outputs (such as meeting documentation) which will be checked by the Controllers at national level. The **number and complexity of indicators** used for reporting on the project progress should also be **limited as much as possible**. This would allow reducing the time needed for preparing and analysing PRs, as well as the time and HR resources necessary for completing clarification rounds.

Based on on-going discussions facilitated by INTERACT the following measures are considered to be implemented by the DTP:

- Application of **harmonised** (and more user-friendly) **templates** agreed between various territorial cooperation programmes (based on INTERACT “HIT”) could significantly reduce the administrative burden for beneficiaries both in the application phase and during implementation. The use of aligned first level control documents would ensure that project partners as well as Controllers participating in several ETC Programmes face the same requirements and procedures.
- The **application and reporting forms** will be developed on the basis of the HIT template, so that cross-programme harmonized approaches could be exploited by applicants of different ETC programmes.
- The implementation of **uniform eligibility rules** (with regard to staff costs, office and administrative expenditure, travel and accommodation costs, external expertise and services costs and equipment expenditure) at the level of ETC would definitely lead to more transparent programme management systems and eliminate the risk of mistakes in reporting. Furthermore, a common set of ETC eligibility rules will ease the work of Controllers.
- The use of **simplified costs options** (with regard to the application of flat rates for office and admin. expenditure and staff costs):
  - Flat rate for the office and administrative expenditure according to Article 68 point 1 (b) EC Regulation 1303/2013;
  - Flat rate for staff costs (except for TA expenditure) in accordance with Article 19 of Regulation (EU) No 1299/2013 and the Commission Delegated Regulation (EU) No 481/2014.

Additional measures on simplified costs are planned to be included during the programme implementation.

In addition to streamlined reporting and control requirements, the DTP also aims to **simplify procedures for** project implementation by introducing a certain level of flexibility in the **contracting and project modification procedures** (e.g. the revision of project start date will be allowed during the condition clearing phase, after the MC approval; changes in the work plan and small budget reallocations might be allowed without the prior approval of the JS as long as the aims and outputs of the project would be reached; rules for submitting formalised addenda will be lighter depending on the type of change, etc.).

As for **operations implemented outside** the Union part of the programme area, the direct application of the derogations referred to in paragraphs 2 of Article 20 of the ETC Regulation could be substituted for more coordinated and harmonized implementation of cooperation programmes or for compiling new types of projects in terms of partnership.

## 8. HORIZONTAL PRINCIPLES

### 8.1 Sustainable development

Description of specific actions to take into account environmental protection requirements, resource efficiency, climate change mitigation and adaptation, disaster resilience and risk prevention and management, in the selection of operations.

The Common Provisions Regulation (CPR, Article 8) states: *“Member States and the Commission shall ensure that environmental protection requirements, resource efficiency, climate change mitigation and adaptation, biodiversity and ecosystem protection, disaster resilience and risk prevention and management are promoted in the preparation and implementation of Partnership Agreements and programmes.”*

Important sources to systematically consider the sustainable development principle in the programme preparation phase were the Strategic Environmental Assessment (SEA) and the ex-ante evaluation.

The purpose of the SEA is to *“provide for a high level of protection of the environment and to contribute to the integration of environmental considerations into the preparation and adoption of plans and programmes with a view to promoting sustainable development.”*

The ex-ante evaluation verified the adequacy of planned actions in the cooperation programme to promote sustainable development. The SEA process was introduced in parallel to the ex-ante evaluation, and main recommendations were incorporated into the cooperation programme.

At the operational level the following aspects should be considered during programme implementation (indicative list to be considered if applicable):

- Selection of investment-related projects in view of highest resource efficiency and sustainability

- Prevention of investments with considerable negative environmental and climate effects
- Develop a long-term perspective when comparing life-cycle costs of various investment options
- Increased use of sustainable procurement (green public procurement).

The assessment of the quality of the eligible project proposals should be based on a set of quality criteria which are common to all Priority Axes and Investment Priorities (see the provisions in chapter 5.3 on the selection of operations)

As a technical tool for the assessors the following aspects should to be considered in project selection (indicative list to be considered if applicable):

- Contribution to energy efficiency, renewable energy use and reduction of greenhouse gas (GHG) emissions and improvement of air quality (e.g. reductions of particulate matter (PM) and NO<sub>2</sub>)
- Contribution to efficient water supply, waste-water treatment and water reuse
- Application of green public procurement in a systematic manner
- Contribution to efficient waste management, re-use and recycling
- Contribution to the development of green infrastructures including Natura 2000 sites
- Contribution to reduced transport and mobility-related air pollution
- Contribution to sustainable integrated urban development
- Contribution to enhanced awareness of adaptation to climate change and risk prevention
- Contribution to more employment opportunities, education, training and support services in the context of environment protection and sustainable development

The estimated decrease of greenhouse gas emissions, the (potential) increase in energy efficiency and in renewable energy production are EU 2020 headline target indicators and should be monitored at operations level if applicable.

For projects involving purchasing products, the products shall comply with the energy efficiency requirements set out in Annex III of the Energy Efficiency Directive (2012/27/EU) for products subject to public procurement. If a project involves building construction and renovation, cost-optimal levels of energy performance according to Directive 2010/31/EU are required, and projects going beyond cost-optimal levels are favoured.

## **8.2 Equal opportunities and non-discrimination**



Description of the specific actions to promote equal opportunities and prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation, design and implementation of the cooperation programme and, in particular, in relation to access to funding, taking account of the needs of the various target groups at risk of such discrimination, and in particular, the requirements of ensuring accessibility for persons with disabilities.

Non-discrimination covers not only women (and men), but any discrimination based on racial or ethnic origin, religion or belief, disability, age or sexual orientation. While anti-discrimination legislation is an acquired aspect of EU legal systems, the practical implementation of anti-discrimination practices is lagging behind. In terms of equal access to ERDF funding this could mean, for example, that ERDF funded tourism projects are not accessible to people with disabilities (and that nobody checks whether they are) or that entrepreneurs with a migrant background do not have equal access to e.g. business-related funding because they do not have access to the information on the funding or do not know how to apply. Therefore, equal access to information and the existence of an adequate system of checking whether equality and non-discrimination requirements are being met should be assured by ERDF funded programmes.

The European Commission leaves the implementation of the principles of equal opportunities and non-discrimination in the programming and implementation up to the Member States.

In the preparatory phase of the cooperation programme, the SWOT analysis identified societal challenges such as demographic change, migration, the inclusion of vulnerable and marginalized groups, in particular the Roma. The CP strategy specifically addresses these societal challenges, in particular in Priority Axes 1 and 4. It will seek to ensure that the principles of equal opportunities for all and non-discrimination are respected in all phases of the implementation of the CP. E.g., in the framework of the public consultation, the MA provided a wider public, including organisations promoting equal opportunities and non-discrimination, with the opportunity to comment on the content of the CP.

In order to adequately implement the horizontal principles of equal opportunities and non-discrimination, a systematic step by step approach has been chosen for the selection of projects in the framework of the CP. In the relevant policy fields, i.e. in particular in the Priority Axes 1 and 4, the following issues can be taken into account in the selection and follow-up of projects. A non-exhaustive list of questions has also been provided which can be applied as relevant and useful:

- **Project selection:** The principle of equal access is essential for this point. Related question are, for instance: Are different social groups adequately informed of the availability of funding? Are there barriers in terms of how the projects/measures are promoted (e.g. where they are advertised, language etc)? Were special needs of people with disabilities considered during the conception of measures (e.g. eligibility of costs for barrier free solutions)? Is equal access taken into account in the selection criteria for projects? Are projects required to demonstrate their equal opportunity procedures?
- **Project realisation and project implementation:** Are project promoters aware of non-discrimination issues? Have equal opportunity targets been set? Have equal opportunities training or diversity management courses been considered? Is childcare available to enable equal participation in activities where relevant? Are the measures

accessible to all in terms of location (e.g. accessible by public transport) and infrastructure (e.g. wheelchair access)?

- **Monitoring:** Are relevant indicators planned and used in order to be able to judge to what extent equal opportunity principles have been respected? These might include for example:

- The project specifically addresses equal opportunities and non-discrimination issues
- The project does not specifically address equal opportunities and non-discrimination issues

Further indicators may include:

- Number of persons from specific target group xyz participating in activities
- **Evaluation:** Has the topic of equal opportunities and non-discrimination and the way the programme contributes to these principles been taken into consideration in the evaluation? Are there evaluation questions addressing these issues where relevant?

During project selection, each project will be subject to the verification of compliance with equal opportunities and non-discrimination principles defined in EU and national legislation within the assessment and selection procedure. Compliance with equal opportunities and non-discrimination will be part of the assessment criteria (see chapter 5.3 on the selection of operations).

### 8.3 Equality between men and women

Description of the contribution of the cooperation programme to the promotion of equality between men and women and, where appropriate, the arrangements to ensure the integration of the gender perspective at cooperation programme and operation level.

These fundamental values must be respected in the implementation of the ESI Funds of the European Union as stated in the Common Provisions Regulation (CPR): “*Member States and the Commission shall ensure that equality between men and women and the integration of gender perspective is promoted in the preparation and implementation of programmes*” and that the “*Member States and the Commission shall take appropriate steps to prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation and implementation of programmes*”.

Equal participation of men and women and gender mainstreaming are ensured at programme and operation level in the implementation of the CP. The gender perspective will be taken into consideration in all phases from project selection to evaluation. The following issues will be taken into consideration and the following non-exhaustive list of questions asked where appropriate:

- **Project selection:** Gender mainstreaming means making sure that the principles of equal access to funding are actually applied in particular in projects in the social

innovation and governance fields. Important questions are, for instance: Is gender mainstreaming taken into account in the formulation of the selection criteria for projects? Do projects have to demonstrate their equal opportunity procedures?

- **Project realisation and project implementation:** Are project promoters aware of gender and non-discrimination issues? Which significance is given to the gender perspective in the projects? Have gender and equal opportunity targets been set? Has training been considered? Is childcare available to ensure that women and men can participate in activities equally? Are the activities accessible to all in terms of location (e.g. accessible by public transport)?

- **Monitoring:** In order to measure the progress of the promotion of equality between women and men and non-discrimination, the involvement of women and men should be considered in the monitoring and evaluation planning of relevant projects, in particular in the social innovation and governance fields. Relevant indicators to be able to judge to what extent gender and equal opportunity targets have been reached are for example:

- number of women and men participating in activities
- number of women and men benefiting from improved services
- number of women and men benefiting from training events

Without indicators broken down by gender, equal participation and access to funding will be impossible to evaluate at a later stage. Therefore, it is proposed to include the monitoring and evaluation measures with respect to gender equality and non-discrimination in the Evaluation Plan (EP).

- **Evaluation:** Have output and financial indicators been set in the programme? Have the necessary steps for monitoring been prepared in the EP? What is the specific contribution of the programme to promote equality between men and women?

During project selection, each project will be subject to the verification of compliance with equal opportunities and non-discrimination principles defined in EU and national legislation. Compliance with equal opportunities and non-discrimination will be part of the assessment criteria (see chapter 5.3 on the selection of operations).

## 9. SEPERATE ELEMENTS

### 9.1 Major projects to be implemented during the programming period

**Table 23: List of major projects**

Project	Planned notification / submission date (year, quarter)	Planned start of implementation (year, quarter)	Planned completion date (year, quarter)	Priority axes / Investment priorities
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### 9.2 Performance framework of the cooperation programme

**Table 24: Performance framework (summary table)**

Priority axis	ID	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)
1 - Innovative and socially responsible Danube region	FI1	Total amount of eligible expenditure certified to EC for priority axis 1	EUR	2,063,929	72,826,617.00
1 - Innovative and socially responsible Danube region	KIS	Number of documented learning interactions (in approved applications)	Number	17	81.00
1 - Innovative and socially responsible Danube region	P07	No. of documented learning interactions in finalised operations	Number	0	81.00
2 - Environment and culture responsible Danube region	FI2	Total amount of eligible expenditure certified to EC for priority axis 2	EUR	2,358,777	83,230,421.00
2 - Environment and culture responsible Danube region	KIS	Number of documented learning interactions (in approved applications)	Number	20	90.00
2 - Environment and culture responsible Danube region	P07	No. of documented learning interactions in finalised operations	Number	0	90.00
3 - Better connected and energy responsible Danube region	FI3	Total amount of eligible expenditure certified to EC for priority axis 3	EUR	1,547,947	54,619,964.00
3 - Better connected and energy responsible Danube region	KIS	Number of documented learning interactions (in approved applications)	Number	13	60.00
3 - Better connected and energy responsible Danube region	P07	No. of documented learning interactions in finalised operations	Number	0	60.00
4 - Well governed Danube region	FI4	Total amount of eligible expenditure certified to EC for priority axis 4	EUR	958,253	33,812,359.00
4 - Well governed Danube region	KIS	Number of documented learning interactions (in approved applications)	Number	5	21.00
4 - Well governed Danube region	P07	No. of documented learning interactions in finalised operations	Number	0	21.00
4 - Well governed Danube region	P30	Number of projects plans prepared through the seed money facility	Number	0	50.00

### 9.3 Relevant partners involved in the preparation of the cooperation programme

The Danube Transnational Programme introduced a number of platforms for effective communication with relevant partners and stakeholders throughout the programming process.

- The Programming Committee;
- National stakeholder consultation events;

- Online survey;
- Consultation during the Strategic Environmental Assessment (SEA), and
- Meetings at the programme level with EUSDR key actors.

The **Programming Committee (PC)** for preparation of the programme for 2014-2020 was established at the 5th of February 2013; and held 10 meetings in the period between February 2013 and September 2014. It was composed of representatives of national and regional authorities of the 14 participating Partner States, the future MA and observers.

The **national stakeholder consultation events** were organized during June 2014 in most of the countries participating in the Danube Transnational Programme. There were 10 stakeholder consultation events properly documented by the organizers and included in the programme development. A total number of 289 comments were collected through the “harvesting sheets”, the highest number being related to TO6 - Priority Axis 2 (Environment).

The **online platform** was opened for the public in between 6th and 16th of June 2014. Counting only the valid responses, 257 questionnaires were filled in by the respondents.

The distribution per country of the responses reveals that more than 60% of the filled in questionnaires were received from Austria, Germany, Hungary, Romania and Serbia. Unfortunately, no reactions came from Moldova, while the participation of the stakeholders from Bosnia and Herzegovina, Slovakia and Ukraine was rather modest (less than 10 respondents).

Considering the expertise of the respondents, the results show a larger interest from stakeholders with competences / experience in research & innovation and environment, while stakeholders interested in transport were filling in the questionnaire in a smaller number. The rate of the respondents from other field of competence is also important, this category being represented mainly by Universities (having other specialties as well) and state institutions (especially bodies responsible for emergency situations).

To foster appropriate **coordination of the DTP with the broader EU Strategy for the Danube Region** in the programming phase three one day meetings were organized marking milestones of joint coordination:

- 21 May 2013, Ljubljana – Meeting with the PACs (EUSDR Priority Area Coordinators): PACs specified their expectations and concerns;
- 24 Jan 2014, Budapest – DPC (Danube Programming Committee) – NCP (National Contact Points now renamed as National-Coordinators) - PAC meeting: Stakeholders supported the three elements proposed by the European Commission to support EUSDR governance and implementation;
- 1 September 2014, Brussels – EC-DPC-EUSDR meeting: Participants specified details of the Danube Strategy Point and selected its location and hosting institution.

The **Strategic Environmental Assessment (SEA)** of the programme was based on a public consultation process in a 60 days period from August 2014 to Oktober 2014. A wider public in all Partner States had an opportunity to comment on the cooperation programme, particularly taking into account the expected environmental impacts of implementation.

#### **9.4 Applicable programme implementation conditions governing the financial management, programming, monitoring, evaluation and control of the participation of third countries in transnational and interregional programmes through a contribution of ENI and IPA resources**

In accordance with the Recital (37) of the ETC Regulation, third countries are allowed to **participate through contribution of IPA and ENI resources** in transnational cooperation programmes in order to strengthen the Union's economic, social and territorial cohesion and to reinforce effectiveness of its cohesion policy.

In order to ensure effective participation of non-EU member countries in the DTP, managed in accordance with the shared management principle, **programme implementation conditions** governing the financial management as well as programming, monitoring, evaluation and control of the participation of third countries as set out in the present CP as well as in the financing agreements **shall be respected by all participating countries**.

IPA and ENI funds will be integrated into the programme management system to ensure that all the Partner States and beneficiaries have the same possibilities and assume the same liabilities. The single implementation system gives the possibility to fully integrate external partners into the transnational partnerships, thus the whole project can be managed by one single contract under the responsibility of the Lead Beneficiary. The Lead Beneficiary should come from EU Member States and would bear responsibility for the total Community contribution awarded to the project (i.e. ERDF, IPA and ENI contribution); these responsibilities are laid down in the single subsidy contract to be concluded between the MA and the Lead Beneficiary.

The following principles are necessary to ensure the smooth implementation of the **integration of IPA and ENI funds** into the programme management system:

- The **financial, management and audit systems** of the IPA and ENI beneficiary countries are to be regulated by the CP and the Financing Agreements; in addition all programme level documents approved by the Monitoring Committee and programme authorities (MA, CA, AA) shall be applicable.
- Partners from IPA and ENI beneficiary countries should also be given the opportunity to play **a strategic role within a transnational partnership**, and at the same time assume similar responsibilities like project partners coming from the Member States. Practically, it means that no major deviations are expected in terms of roles and responsibilities between IPA, ENI and ERDF partners.
- Fully **operational and compliant control systems/procedures** (to be endorsed by the Audit Authority) will be available in each IPA and ENI beneficiary country in due time for verifying expenditure of IPA project partners as well as of relevant TA beneficiaries.
- Programme authorities (MA, CA, AA) shall bear the same responsibilities and carry out the same tasks for the IPA and ENI funds as for the ERDF funds (in line with the CP and the applicable regulations)

CP serves as the basis document for the programme implementation for all the programme funds (ERDF, IPA, ENI). Unless stated otherwise, rules applicable for the ERDF component of the programme would also be applicable for IPA and ENI funds. Therefore the IPA and ENI funds are integrated into the overall programme implementation framework. Detailed rules regarding the management of the integration of IPA and ENI funds will be additionally covered by Financing Agreements and programme level documents. The content of the Financing Agreements will be developed by the European Commission involving the MA/JS/CA/AA and signed by the EC, the MA and the IPA and ENI Partner States respectively. The authorities of the IPA and ENI beneficiary countries shall support the programme authorities in accordance with the provisions laid down in the Cooperation Programme and in the respective Financial Agreements.

Detailed modalities governing call for proposals, contracting and project implementation will be regulated by programme level documents approved by the Monitoring Committee.

## Documents

Document title	Document type	Document date	Local reference	Commission reference	Files	Sent date	Sent By
Confirmation agreements from MD and UA	Confirmation of agreement in writing to the contents of the cooperation programme	04-May-2017		Ares(2017)2365207	UA agreement MD agreement	09-May-2017	nplaassa
Changelog of modifications	Supplementary information	04-May-2017		Ares(2017)2365207	Changelog of modifications	09-May-2017	nplaassa

## Submitted annexes by the Commission implementing regulation laying down the model of the programme

Document title	Document type	Programme version	Document date	Local reference	Commission reference	Files	Sent date	Sent By
Final Ex ante Evaluation Report	Report of the ex-ante evaluation	1.0	06-Nov-2014		Ares(2015)1003187	Final Ex ante report	06-Mar-2015	nbagiszo
Programme Snapshot of data before send 2014TC16M6TN001 2.2	Snapshot of data before send	2.2	09-May-2017		Ares(2017)2365207	Programme Snapshot of data before send 2014TC16M6TN001 2.2 hu	09-May-2017	nplaassa
Confirmation agreements from MD and UA	Confirmation of agreement in writing to the contents of the cooperation programme	2.2	04-May-2017		Ares(2017)2365207	UA agreement MD agreement	09-May-2017	nplaassa
Maps and figures of DTP	A map of the area covered by the cooperation programme	1.0	05-Nov-2014		Ares(2015)1003187	Annex 10 Maps and figures List of NUTS2 regions	06-Mar-2015	nbagiszo



**ANNEX II**

**Total financial appropriation from the ERDF and IPA II per year (in EUR)**

<b>Fund</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
<b>ERDF</b>	0,00	24 660 614,00	20 901 883,00	37 978 602,00	38 738 175,00	39 512 935,00	40 303 196,00	202 095 405,00
<b>IPA</b>	0,00	2 419 649,00	2 050 851,00	3 726 383,00	3 800 911,00	3 876 929,00	3 954 469,00	19 829 192,00
<b>TOTAL</b>	<b>0,00</b>	<b>27 080 263,00</b>	<b>22 952 734,00</b>	<b>41 704 985,00</b>	<b>42 539 086,00</b>	<b>43 389 864,00</b>	<b>44 257 665,00</b>	<b>221 924 597,00</b>



### ANNEX III

#### **Total financial appropriation for the support from the ERDF and IPA II, and the national co-financing for the cooperation programme for each priority axis (in EUR)**

Priority axis	Fund	Basis for calculation of Union support  (Total eligible cost or public eligible cost)	Union support (a)	National counterpart  (b)=(c)+(d)	Indicative breakdown of national counterpart		Total funding  (e)=(a)+(b)	Co-financing rate  (f)=(a)/(e)	Contributions from third countries	EIB contributions
					National public funding (c)	National private funding (d)				
1	ERDF	total eligible costs	56 586 713,00	9 985 891,00	8 987 302,00	998 589,00	66 572 604,00	85%	0	0
	IPA	total eligible costs	5 459 759,00	963 487,00	867 138,00	96 349,00	6 423 246,00	85%		
2	ERDF	total eligible costs	64 670 530,00	11 412 447,00	10 271 202,00	1 141 245,00	76 082 977,00	85%	0	0
	IPA	total eligible costs	6 239 725,00	1 101 128,00	991 015,00	110 113,00	7 340 853,00	85%		
3	ERDF	total eligible costs	42 440 035,00	7 489 418,00	6 740 476,00	748 942,00	49 929 453,00	85%	0	0
	IPA	total eligible costs	4 094 820,00	722 616,00	650 354,00	72 262,00	4 817 436,00	85%		
4	ERDF	total eligible costs	26 272 403,00	4 636 307,00	4 172 677,00	463 630,00	30 908 710,00	85%	0	0
	IPA	total eligible costs	2 534 888,00	447 334,00	402 600,00	44 734,00	2 982 222,00	85%		
5	ERDF	total eligible costs	12 125 724,00	4 041 908,00	4 041 908,00	0,00	16 167 632,00	75%	0	0
	IPA	total eligible costs	1 500 000,00	264 706,00	264 706,00	0,00	1 764 706,00	85%		
TOTAL	ERDF		202 095 405,00	37 565 971,00	34 213 565,00	3 352 406,00	239 661 376,00	84,32%	0	0
	IPA		19 829 192,00	3 499 271,00	3 175 813,00	323 458,00	23 328 463,00	85%		
	Grand total		221 924 597,00	41 065 242,00	37 389 378,00	3 675 864,00	262 989 839,00	84,38%	0	0

## ANNEX IV- GENERAL CONDITIONS

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## Preamble

- (1) In accordance with Article 9(3) of the IPA II Regulation, where appropriate, IPA II may contribute to transnational cooperation programmes or measures that are established and implemented under Regulation (EU) No 1299/2013 and in which the beneficiaries listed in Annex I to the IPA II Regulation participate.
- (2) In accordance with Article 26 of the ETC Regulation the applicable programme implementation conditions governing the financial management as well as the programming, monitoring, evaluation and control of the participation of the IPA II beneficiary, through a contribution of IPA II to transnational and interregional cooperation programmes, shall be established in the relevant cooperation programme and also, where necessary, in the financing agreement between the Commission, the governments of the IPA II beneficiary concerned and the Member State hosting the managing authority of the relevant cooperation programme. Programme implementation conditions shall be consistent with the Union's cohesion policy rules.
- (3) The Interreg V-B Danube Programme; CCI number 2004TC16M6TN001, hereinafter referred to as 'the Programme', shall be implemented under shared management. Consequently, Hungary, the Member State hosting the managing authority, hereinafter referred to as 'the Member State', and the Commission shall be responsible for the implementation, the management and control of the Programme.
- (4) The IPA II beneficiary has confirmed, in writing, its agreement to the contents of the Programme prior to its submission to the Commission. This agreement also includes a commitment to provide the financial contribution of the IPA II beneficiary.
- (5) In accordance with Article 3 of the Special Conditions, the provisions of these General Conditions supplement and complete the provisions of the basic acts listed in Article 1(2) of the Special Conditions and of acts adopted on their basis. The programme authorities in the Member State are bound by all provisions of the basic acts, even where these General Conditions may not refer specifically to all its provisions.
- (6) The authorities and bodies of the IPA II beneficiary shall support the Member State in its responsibilities and cooperate loyally with the single programme authorities, in particular where only the authorities and bodies of the IPA II beneficiary can carry out tasks on its territory.
- (7) The purpose of these General Conditions is to lay out the rules for implementing the Programme as described in Annex I and to define rights and obligations of the IPA II beneficiary and the Commission respectively in carrying out these tasks.
- (8) These General Conditions shall apply to the obligations of the IPA II beneficiary related to the Union contribution alone or combined with the national co-financing of the IPA II beneficiary.
- (9) The IPA II beneficiary shall remain responsible for supporting the Programme authorities in the Member State in the fulfilment of its obligations stipulated in the basic acts, even if the IPA II beneficiary sub-delegates to other entities identified in the Programme to carry out certain tasks. The Commission, in particular, reserves the right to interrupt payments, and to suspend and/or terminate this Financing Agreement on the basis of the acts, omissions and/or situations of any designated entity.

## **Section I - Common provisions and principles**

### **Article 1 - Definitions**

1. For the purposes of these General Conditions the following definitions shall apply:
  - (a) 'IPA II beneficiary' means one of the beneficiaries listed in Annex I to the IPA II Regulation;
  - (b) 'participating countries' means the IPA II beneficiary together with the Member States participating in a multi-annual programme for transnational cooperation jointly drawn up by the participating countries;
  - (c) 'framework agreement' refers to the specific arrangement concluded between the Commission and an IPA II beneficiary applying to all IPA II policy areas and laying down the principles of the financial cooperation between the IPA II beneficiary and the Commission under the IPA II Regulation as referred to in Article 6 of the Specific Conditions;
  - (d) 'Programme' means the joint transnational co-operation programme;
  - (e) 'authorities' means public entities or bodies of an IPA II beneficiary or a Member State at national, regional or local level;
  - (f) 'financing agreement' means an annual or multi-annual agreement concluded between the Commission and an IPA II beneficiary as well as the Member State hosting the managing authority;
  - (g) 'public law body' means in the IPA II beneficiary, in accordance with national law, bodies equivalent to those in Member States (see point (o) of paragraph 2 below);
  - (h) 'economic operator' means any natural or legal person or other entity taking part in the implementation of an operation under the Programme, with the exception of a Member State or an IPA II beneficiary exercising its prerogatives as a public authority;
  - (i) 'ERDF assistance' means the Union support to the Programme from budget lines under the European Regional Development Fund, both the contribution from budget Heading 1b (Economic, social and territorial cohesion) and the contribution from budget Heading 4 (Global Europe) (IPA II), unless specified otherwise.
2. For the purposes of these General Conditions the definitions set out in Article 2 CPR shall apply, unless as adapted according to paragraph 1, and in particular:
  - (j) 'programming' means the process of organisation, decision-making and allocation of financial resources in several stages, with the involvement of partners in accordance with Article 5, intended to implement, on a multi-annual basis, joint action by the Union and the Member States to achieve the objectives of the Union strategy for smart, sustainable and inclusive growth;
  - (k) 'operation' means a project, contract, action or group of projects selected by the Joint monitoring committee or the contracting authority of the Programme, or under its responsibility, that contribute to the objectives;



- (l) 'beneficiary' means a public or private body, responsible for initiating or initiating and implementing operations;
- (m) 'Partnership Agreement' means a document prepared by a Member State with the involvement of partners in line with the multi-level governance approach, which sets out that Member State's strategy, priorities and arrangements for using the European Structural and Investment Funds in an effective and efficient way so as to pursue the Union strategy for smart, sustainable and inclusive growth, and which is approved by the Commission following assessment and dialogue with the Member State concerned;
- (n) 'public expenditure' means any public contribution to the financing of operations the source of which is the budget of national, regional or local public authorities, the budget of the Union related to IPA II assistance, the budget of public law bodies or the budget of associations of public authorities or of public law bodies;
- (o) 'public law body' means in the Member State a body governed by public law within the meaning of point 4 of Article 2(1) of Directive 2014/24/EU of the European Parliament and of the Council<sup>1</sup> and any European grouping of territorial cooperation (EGTC) established in accordance with Regulation (EC) No 1082/2006 of the European Parliament and of the Council<sup>2</sup>, regardless of whether the EGTC is considered to be a public law body or a private law body under the relevant national implementing provisions;
- (p) 'document' means a paper or an electronic medium bearing information of relevance in the context of this Financing Agreement;
- (q) 'accounting year', means the period from 1 July to 30 June, except for the first accounting year of the programming period, in respect of which it means the period from the start date for eligibility of expenditure until 30 June 2015; the final accounting year shall be from 1 July 2023 to 30 June 2024;
- (r) 'financial year', means the period from 1 January to 31 December;
- (s) 'irregularity' means any breach of Union law, or of national law relating to its application, resulting from an act or omission by an economic operator involved in the implementation of the ERDF assistance, which has, or would have, the effect of prejudicing the budget of the Union by charging an unjustified item of expenditure to the budget of the Union;
- (t) 'systemic irregularity' means any irregularity, which may be of a recurring nature, with a high probability of occurrence in similar types of operations, which results from a serious deficiency in the effective functioning of a management and control system, including a failure to establish appropriate procedures in accordance with this Regulation and the Fund-specific rules;

<sup>1</sup> Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC Text with EEA relevance, OJ L 94, 28.3.2014, p. 65.

<sup>2</sup> Regulation (EU) No 1302/2013 of the European Parliament and of the Council of 17 December 2013 amending Regulation (EC) No 1082/2006 on a European grouping of territorial cooperation (EGTC) as regards the clarification, simplification and improvement of the establishment and functioning of such groupings, OJ L 347, 20.12.2013, p. 303.



- (u) 'serious deficiency in the effective functioning of a management and control system' means a deficiency for which substantial improvements in the system are required, which exposes the ERDF assistance to a significant risk of irregularities, and the existence of which is incompatible with an unqualified audit opinion on the functioning of the management and control system;
  - (v) 'Fund-specific rules' refer to the specific provisions of Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013<sup>3</sup> applicable to Regulation (EU) No 1299/2013 of the European Parliament and of the Council<sup>4</sup> (the European Territorial Cooperation Regulation, 'the ETC Regulation') and Regulation (EU) No 1301/2013 of the European Parliament and of the Council<sup>5</sup>.
3. References in this Financing Agreement to provisions of the CPR, the ETC Regulation and of acts adopted on their basis are construed as also referring to the 'IPA II beneficiary', 'the participating countries' and the 'ERDF assistance' as defined in paragraph 1.

#### Article 2 - Calculation of time limits for Commission decisions

Where, pursuant to Article 10(2) and (5) of this Agreement or Article 107(2) and 108(3) CPR, a time limit is set for the Commission to adopt or amend a decision, by means of an implementing act, that time limit shall not include the period which starts on the date following the date on which the Commission sends its observations to the Member State and lasts until the Member State responds to the observations.

#### Article 3 - General principles

1. The ERDF assistance shall support the IPA II beneficiary in adopting and implementing the political, institutional, legal, administrative, social and economic reforms required in order to comply with the Union's values and to progressively align to the Union's rules, standards, policies and practices, with a view to Union membership.

Through such support, ERDF assistance shall contribute to stability, security and prosperity in the IPA II beneficiary.

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<sup>3</sup> Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006, OJ L 347, 20.12.2013, p. 320.

<sup>4</sup> Regulation (EU) No 1299/2013 of the European Parliament and of the Council of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal, OJ L 347, 20.12.2013, p. 259.

<sup>5</sup> Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006, OJ L 347, 20.12.2013, p. 289.



2. Specifically, the ERDF assistance shall
  - a) support for political reforms, inter alia through regional cooperation and good neighbourly relations;
  - b) support for economic, social and territorial development, with a view to smart, sustainable and inclusive growth; and
  - c) strengthening regional integration and territorial cooperation involving the IPA II beneficiary IPA II beneficiary and the Member States.
3. The Commission and the participating countries shall ensure, taking account of the specific context of each Member State and IPA II beneficiary, that the ERDF assistance is consistent with the relevant policies, horizontal principles referred to in Articles 3, 5 and 6 and priorities of the Union, and that it is complementary to other instruments of the Union.
4. The ERDF assistance shall be implemented in close cooperation between the Commission, the Member State and the IPA II beneficiary in accordance with the principle of subsidiarity.
5. The participating countries at the appropriate territorial level, in accordance with their institutional, legal and financial framework, and the bodies designated by them for that purpose shall be responsible for preparing and implementing the Programme and carrying out their tasks, in partnership with the relevant partners referred to in Article 7, in compliance with this financing agreement.
6. Arrangements for the implementation and use of the ERDF assistance, and in particular the financial and administrative resources required for the preparation and implementation of the Programme, in relation to monitoring, reporting, evaluation, management and control, shall respect the principle of proportionality having regard to the level of support allocated and shall take into account the overall aim of reducing the administrative burden on bodies involved in the management and control of the Programme.
7. In accordance with their respective responsibilities, the Commission, and the participating countries shall ensure coordination between this Programme and other IPA II programmes and between the ERDF and other relevant Union policies, strategies and instruments, including those in the framework of the Union's external action.
8. The part of the budget of the Union allocated to the ERDF assistance shall be implemented within the framework of shared management between the participating countries and the Commission, in accordance with Article 59 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council<sup>6</sup> ('the Financial Regulation');
9. The Commission and the participating countries shall respect the principle of sound financial management in accordance with Article 30 of the Financial Regulation.
10. The Commission and the participating countries shall ensure the effectiveness of the ERDF assistance during preparation and implementation, in relation to monitoring, reporting and evaluation.

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<sup>6</sup> Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002, OJ L 298, 26.10.2012, p. 1.



11. The Commission and the participating countries shall carry out their respective roles in relation to the ERDF assistance with the aim of reducing the administrative burden on beneficiaries.

#### **Article 4 - Compliance with Union and national law**

Operations supported by ERDF assistance shall comply with applicable Union law and the national law relating to its application ('applicable law').

#### **Article 5 - Promotion of equality between men and women and non-discrimination**

The Commission and the participating countries shall ensure that equality between men and women and the integration of gender perspective are taken into account and promoted throughout the preparation and implementation of the Programme, including in relation to monitoring, reporting and evaluation.

The Commission and the participating countries shall take appropriate steps to prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation and implementation of the Programme. In particular, accessibility for persons with disabilities shall be taken into account throughout the preparation and implementation of the Programme.

#### **Article 6 - Sustainable development**

The objectives of the ERDF assistance shall be pursued in line with the principle of sustainable development and with the Union's promotion of the aim of preserving, protecting and improving the quality of the environment, as set out in Articles 11 and 191(1) Treaty on the Functioning of the European Union (TFEU), taking into account the polluter pays principle.

The Commission and the participating countries shall ensure that environmental protection requirements, resource efficiency, climate change mitigation and adaptation, biodiversity, disaster resilience, and risk prevention and management are promoted in the preparation and implementation of the Programme.

#### **Article 7 - Partnership principle**

1. For the Programme, the participating countries shall in accordance with their institutional and legal framework organise a partnership with the competent regional and local authorities. The partnership shall also include the following partners:

- (a) competent urban and other public authorities;
- (b) economic and social partners; and
- (c) relevant bodies representing civil society, including environmental partners, non-governmental organisations, and bodies responsible for promoting social inclusion, gender equality and non-discrimination.

The participating countries may also involve European groupings of territorial cooperation operating in the programme area and authorities or bodies that are involved in the development or implementation of a macro-regional or sea-basin strategy in the programme area, including priority area coordinators for macro-regional strategies.

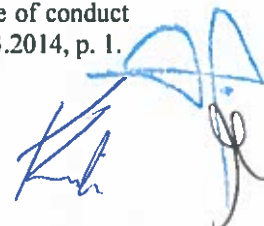


Where public authorities, economic and social partners, and bodies representing civil society have established an umbrella organisation, they may nominate a single representative to present the views of the umbrella organisation in the partnership.

2. In accordance with the multi-level governance approach, the partners referred to in paragraph 1 shall be involved by the participating countries in the preparation of progress reports and throughout the preparation and implementation of the Programme, including through participation in the monitoring committee for the Programme in accordance with Article 15.
3. Commission Delegated Regulation (EU) No 240/2014<sup>7</sup> shall apply *mutatis mutandis* on the different elements of programming referred to in paragraph 2.

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<sup>7</sup> Commission Delegated Regulation (EU) No 240/2014 of 7 January 2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds, OJ L 74, 14.3.2014, p. 1.





## **Section II - Programming**

### **Article 8 - Geographical coverage**

The list of eligible regions shall be included in the Programme which shall be as follows:

- (a) in the Member States Nomenclature of Territorial Units for Statistics (NUTS) level 2 regions as listed in Annex III to Commission Implementing Decision 2014/388/EU of 16 June 2014<sup>8</sup>, while ensuring the continuity of such cooperation in larger coherent areas based on previous programmes, taking account, where appropriate, of macro-regional and sea-basin strategies;
- (b) in the IPA II beneficiary country Nomenclature of Territorial Units for Statistics (NUTS) level 2 regions or, in the absence of NUTS classification, equivalent areas as listed, for information purposes, in Annex III to Commission Implementing Decision 2014/388/EU, and also set out in the Programme as adopted by the Commission.

### **Article 9 - Content of the Programme and thematic concentration**

1. The Programme shall be drawn up in accordance with the partnership principle as set out in Article 7 and in accordance with Article 8 of the ETC Regulation.
2. The thematic objectives for the Programme shall be agreed between the participating countries for each border or group of borders based on the thematic objectives as defined in the first paragraph of Article 9 CPR.
3. Thematic priorities of the ERDF assistance shall be those defined in Article 5 of Regulation (EU) No 1301/2013 and in Article 7(1)(b) of the ETC Regulation.
4. At least 80 % of the ERDF allocation to this transnational programme shall be concentrated on a maximum of four of the thematic objectives set out in the first paragraph of Article 9 CPR.

### **Article 10 - Approval and amendment of the Programme**

1. The Commission shall assess the consistency of the programmes with the Common Provisions Regulation and the ETC Regulation and with the Fund-specific rules, their effective contribution to the selected thematic objectives and to the Union priorities specific to the ETC and ERDF, and as far as participating Member States are concerned, also the consistency with the Partnership Agreement, taking account of the relevant country-specific recommendations adopted in accordance with Article 121(2) TFEU and relevant Council recommendations adopted in accordance with Article 148(4) TFEU as well as of the *ex ante* evaluation. The assessment shall address, in particular, the adequacy of the programme strategy, the corresponding objectives, indicators, targets and the allocation of budgetary resources.
2. The Commission shall make observations within three months of the date of submission of the programme. The participating countries shall provide to the Commission all necessary additional information and, where appropriate, revise the proposed programme.

<sup>8</sup> Commission Implementing Decision of 16 June 2014 setting up the list of regions and areas eligible for funding from the European Regional Development Fund under the cross-border and transnational components of the European territorial cooperation goal for the period 2014 to 2020 (notified under document number C(2014) 3898), OJ L 183, 24.6.2014, p. 75.

3. The European Investment Bank (EIB) may, at the request of participating countries, participate in the preparation of, as well as in activities relating to the preparation of operations.
4. The Commission may consult the EIB before the adoption of the Programme.
5. Requests for amendment of the Programme submitted by the participating countries shall be duly substantiated and shall in particular set out the expected impact of the changes to the programme on achieving the Union strategy for smart, sustainable and inclusive growth and the specific objectives defined in the programme, taking account of the Common Provisions Regulation and the ETC Regulation, the horizontal principles referred to in Articles 5, 6 and 7, as well as of the Partnership Agreement. These requests shall be accompanied by the revised programme. Paragraphs 3 and 4 shall apply to amendments of the Programme.

**Article 11 - Community-led local development, joint action plans and integrated territorial investments**

1. The Programme may carry out actions
  - a) of community-led local development in the meaning of Articles 32 to 35 CPR,
  - b) of joint action plans in the meaning of Articles 104 to 109 CPR, drafted in accordance with Article 4 and Annex IV of Commission Implementing Regulation (EU) No 2015/207<sup>9</sup>; and
  - c) of integrated territorial investments in the meaning of Article 36 CPR.
2. Actions referred to in paragraph 1 should also take into account Articles 9 to 11 of the ETC Regulation.

**Article 12 - Selection of operations**

1. Operations under the Programme shall be selected by the monitoring committee. The monitoring committee may set up a steering committee acting under its responsibility for the selection of operations.
2. Selected operations shall involve beneficiaries from at least two participating countries, at least one of which shall be from a Member State. An operation may be implemented in a single participating country, provided that transnational impacts and benefits are identified.  
However, the participating Member States may decide in the monitoring committee one of the following, unless already otherwise agreed upon in the Programme:
  - (a) operations subject to a given call for proposals may not involve beneficiaries from the IPA II beneficiary until the IPA II beneficiary has concluded the Financing Agreement; or

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<sup>9</sup> Commission Implementing Regulation (EU) 2015/207 of 20 January 2015 laying down detailed rules implementing Regulation (EU) No 1303/2013 of the European Parliament and of the Council as regards the models for the progress report, submission of the information on a major project, the joint action plan, the implementation reports for the Investment for growth and jobs goal, the management declaration, the audit strategy, the audit opinion and the annual control report and the methodology for carrying out the cost-benefit analysis and pursuant to Regulation (EU) No 1299/2013 of the European Parliament and of the Council as regards the model for the implementation reports for the European territorial cooperation goal, OJ L 38, 13.2.2015, p. 1.



- (b) beneficiaries from the IPA II beneficiary may only participate in a given call for proposals provided that the IPA II beneficiary has concluded this Financing Agreement by a given deadline; or
  - (c) the managing authority may postpone the signing of the grant document in terms of Article 14(7) until the IPA II beneficiary has concluded this Financing Agreement by a given deadline; or
  - (d) the managing authority may sign the grant document in terms of Article 14(7) while adding a condition with regard to the validity of the signature which refers to the date when the IPA II beneficiary has concluded this Financing Agreement.
3. Beneficiaries shall cooperate in the development and implementation of operations. In addition, they shall cooperate in either the staffing or the financing of operations.

### **Article 13 - Permits and authorization**

Any type of permit and/or authorisation required for the implementation of the Programme shall be provided by the competent authorities of the IPA II beneficiary, in accordance with national law, before the grant document referred to in Article 14(7) is provided by the managing authority to the lead beneficiary.

### **Article 14 - Beneficiaries**

1. Where there are two or more beneficiaries for an operation in the Programme, one of them shall be designated by all the beneficiaries as the lead beneficiary.
2. The lead beneficiary shall carry out the following tasks:
  - a) lay down the arrangements with other beneficiaries in an agreement comprising provisions that, inter alia, guarantee the sound financial management of the funds allocated to the operation, including the arrangements for recovering amounts unduly paid;
  - b) assume responsibility for ensuring implementation of the entire operation;
  - c) ensure that expenditure presented by all beneficiaries has been incurred in implementing the operation and corresponds to the activities agreed between all the beneficiaries, and is in accordance with the document provided by the managing authority pursuant to Article 12(5) of the ETC Regulation;
  - d) ensure that the expenditure presented by other beneficiaries has been verified by a controller(s)<sup>10</sup> where this verification is not carried out by the managing authority in accordance with Article 23(1) of the ETC Regulation.
3. If not otherwise specified in the arrangements referred to in point (a) of paragraph (2), the lead beneficiary shall ensure that the other beneficiaries receive the total amount of the public support as quickly as possible and in full. No amount shall be deducted or withheld and no specific charge or other charge with equivalent effect shall be levied that would reduce those amounts for the other beneficiaries.

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<sup>10</sup> As defined in Article 37(3).

4. Lead beneficiaries shall be located in a Member State participating in the cooperation programme. However, Member States and the IPA II beneficiary participating in a cooperation programme may agree to the lead beneficiary being located in a the IPA II beneficiary participating in that cooperation programme, provided that the managing authority is satisfied that the lead beneficiary can carry out the tasks set out in paragraphs 2 and 3 and that the requirements for management, verification and audit are fulfilled.
5. Sole beneficiaries shall be registered in a Member State participating in the cooperation programme. However, they may be registered in a Member State not participating in the programme, provided the conditions set out in Article 12(3) of the ETC Regulation are satisfied.
6. Notwithstanding Article 12(2), an EGTC or another legal body established under the laws of one of the participating countries may apply as sole beneficiary for an operation provided that it is set up by public authorities or bodies from at least two participating countries.
7. The managing authority shall provide to the lead or sole beneficiary for each operation a document setting out the conditions for support of the operation, including the specific requirements concerning the products or services to be delivered under the operation, the financing plan and the time-limit for execution (the 'grant document').

The grant document shall also set out the method to be applied for determining the costs of the operation and the conditions for payment of the grant.

Pursuant to a decision taken by the participating Member States in the monitoring committee in accordance with the second subparagraph of Article 12, the managing authority may:

- a) postpone the signature of the grant document; or
- b) set out in the grant document a condition that the grant document only becomes valid with regard to a beneficiary in the IPA II beneficiary when the IPA II beneficiary has respected such a decision.





**Section III – Monitoring, evaluation and technical assistance**

**Sub-section 1: Monitoring**

**Article 15 - Setting-up and composition of the Monitoring Committee**

1. Within three months of the date of notification to the Member State of the decision approving the Programme, the participating countries shall set up a Monitoring Committee ('MC') in agreement with the managing authority, to monitor implementation of the programme.
2. The MC shall draw up and adopt its rules of procedure.
3. The composition of the MC shall be agreed by the participating countries and include relevant representatives of those countries. The monitoring committee may include representatives of the EGTC carrying out activities related to the Programme within the programme area.
4. The list of the members of the MC shall be published.
5. The Commission shall participate in the work of the MC in an advisory capacity.
6. If the EIB contributes to the Programme, it may participate in the work of the MC in an advisory capacity.
7. The MC shall be chaired by a representative of the Member State or of the managing authority.

**Article 16 - Functions of the monitoring committee**

1. The MC shall meet at least once a year and shall review implementation of the programme and progress made towards achieving its objectives. In doing so, it shall have regard to the financial data, common and programme-specific indicators, including changes in the value of result indicators and progress towards quantified target values, and the milestones defined in the performance framework referred to in Article 21(1) CPR, and, where relevant, the results of qualitative analyses.
2. The monitoring committee shall examine all issues that affect the performance of the programme, including the conclusions of the performance review.
3. The MC shall examine in particular:
  - a) any issues that affect the performance of the operational programme;
  - b) progress made in implementation of the evaluation plan and the follow-up given to findings of evaluations;
  - c) implementation of the communication strategy;
  - d) implementation of joint action plans;
  - e) actions to promote equality between men and women, equal opportunities, and non-discrimination, including accessibility for persons with disabilities;
  - f) actions to promote sustainable development.



4. The MC committee shall examine and approve:
  - a) the methodology and criteria used for selection of operations;
  - b) the annual and final implementation reports;
  - c) the evaluation plan for the Programme and any amendment of the evaluation plan pursuant to Article 21(6) CPR;
  - d) the communication strategy for the Programme and any amendment of the strategy;
  - e) any proposal by the managing authority for any amendment to the Programme.
5. The monitoring committee may make observations to the managing authority regarding implementation and evaluation of the programme including actions related to the reduction of the administrative burden on beneficiaries. The monitoring committee shall monitor actions taken as a result of its observations.

#### **Article 17 – Reporting**

1. By 31 May 2016 and by the same date of each subsequent year until and including 2023, the managing authority shall submit to the Commission an annual implementation report in accordance with Article 50(1) CPR.

The implementation report submitted in 2016 shall cover the financial years 2014 and 2015.

2. For the reports submitted in 2017 and 2019, the deadline referred to in paragraph 1 shall be 30 June.
3. Annual implementation reports shall set out key information on implementation of the Programme and its priorities by reference to the financial data, common and programme-specific indicators and quantified target values, including changes in the value of result indicators where appropriate, and, beginning from the annual implementation report to be submitted in 2017, the milestones defined in the performance framework. The data transmitted shall relate to values for indicators for fully implemented operations and also, where possible, having regard to the stage of implementation, for selected operations. They shall also set out a synthesis of the findings of all evaluations of the programme that have become available during the previous financial year, any issues which affect the performance of the programme, and the measures taken.

Where appropriate, annual implementation reports shall also set out progress in preparation and implementation of major projects and joint action plans.

4. With regard to annual implementation reports submitted in 2017 and 2019, Article 14(4) of the ETC Regulation shall apply.
5. The annual and final implementation reports shall be drawn up in accordance with Article 8 and Annex X of Commission Implementing Regulation (EU) No 2015/207.

**Article 18 - Annual review meeting**

1. An annual review meeting shall be organised every year from 2016 until and including 2023 between the Commission, the Member State and the IPA II beneficiary to examine the performance of the Programme, taking account of the annual implementation report and the Commission's observations where applicable. The annual review meeting may cover more than one programme.
2. By way of derogation from paragraph 1, the Member State and the Commission may agree not to organise an annual review meeting for the Programme in years other than 2017 and 2019. In that case, the annual review may be carried out in writing.
3. The annual review meeting shall be chaired by the Commission or, if the Member State so requests, co-chaired by the Member State and the Commission.
4. The Member State and the IPA II beneficiary shall ensure that appropriate follow-up is given to comments of the Commission following the annual review meeting concerning issues which significantly affect the implementation of the Programme and, where appropriate, inform the Commission, within three months, of the measures taken.

**Article 19 - Transmission of data**

1. By 31 January, 31 July and 31 October of each year, the managing authority shall transmit electronically to the Commission for monitoring purposes, for the Programme and by priority axis:
  - (a) the total and public eligible cost of the operations and the number of operations selected for support;
  - (b) the total eligible expenditure declared by beneficiaries to the managing authority.
2. In addition, the transmission made by 31 January shall contain the above data broken down by category of intervention. That transmission shall be considered to fulfil the requirement for the submission of financial data referred to in Article 50(2) CPR.
3. A forecast of the amount for which the managing authority expects to submit payment applications for the current financial year and the subsequent financial year shall accompany the transmissions to be made by 31 January and 31 July.
4. The cut-off date for the data submitted under this paragraph shall be the end of the month preceding the month of submission.
5. Financial data shall be transmitted in accordance with Article 2 and Annex II of Commission Implementing Regulation (EU) No 1011/2014<sup>11</sup>.

<sup>11</sup> Commission Implementing Regulation (EU) No 1011/2014 of 22 September 2014 laying down detailed rules for implementing Regulation (EU) No 1303/2013 of the European Parliament and of the Council as regards the models for submission of certain information to the Commission and the detailed rules concerning the exchanges of information between beneficiaries and managing authorities, certifying authorities, audit authorities and intermediate bodies, OJ L 286, 30.9.2014, p. 1

## Article 20 - Information and communication

1. The managing authority shall be responsible for the information and communication activities as set out in Articles 115, 116 and 117 CPR.
2. Articles 3 to 5 of Commission Implementing Regulation (EU) No 821/2014<sup>12</sup> concerning the technical characteristics of information and communication measures for operations and instructions for creating the Union emblem and a definition of the standard colours shall apply.

### Sub-section 2: Evaluation

## Article 21 – Evaluation principles and specific evaluations

1. Evaluations shall be carried out to improve the quality of the design and implementation of programmes, as well as to assess their effectiveness, efficiency and impact. The impact of programmes shall be evaluated, in the light of the mission of the ERDF, in relation to the targets under the Union strategy for smart, sustainable and inclusive growth and, having regard to the size of the programme, in relation to GDP and unemployment in the programme area concerned, where appropriate.
2. Participating countries shall provide the resources necessary for carrying out evaluations, and shall ensure that procedures are in place to produce and collect the data necessary for evaluations, including data related to common and where appropriate programme-specific indicators.
3. Evaluations shall be carried out by internal or external experts that are functionally independent of the authorities responsible for programme implementation. The Commission shall provide guidance on how to carry out evaluations, immediately following the entry into force of this Regulation.
4. All evaluations shall be made available to the public.
5. The participating countries shall jointly carry out an *ex ante* evaluation in accordance with Article 55 CPR.
6. Article 56 CPR concerning evaluation during the programming period shall apply.

In particular, the managing authority shall draw up an evaluation plan which shall be submitted to the MC no later than one year after the adoption of the Programme.

7. Article 57 CPR concerning evaluation *ex post* shall apply.

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<sup>12</sup> Commission Implementing Regulation (EU) No 821/2014 of 28 July 2014 laying down rules for the application of Regulation (EU) No 1303/2013 of the European Parliament and of the Council as regards detailed arrangements for the transfer and management of programme contributions, the reporting on financial instruments, technical characteristics of information and communication measures for operations and the system to record and store data, OJ L 223, 29.7.2014, p. 7.



**Sub-section 3: Technical assistance**

**Article 22 - Purpose**

At the initiative of a participating country, the ERDF assistance may support actions for preparation, management, monitoring, evaluation, information and communication, networking, complaint resolution, and control and audit. The ERDF assistance may be used by the participating countries to support actions for the reduction of the administrative burden on beneficiaries, including electronic data exchange systems, and actions to reinforce the capacity of Member State authorities and beneficiaries to administer and use the ERDF assistance.

The ERDF assistance may also be used to support actions to reinforce the capacity of relevant partners (see Article 7 on partners and partnership) in line with point (e) of Article 5(3) CPR and to support exchange of good practices between such partners.

The actions referred to in this paragraph may concern previous and subsequent programming periods.

**Article 23 - Ceiling**

The amount of the ERDF assistance allocated to technical assistance shall be limited to 6 % of the total amount allocated to a cooperation programme. For programmes with a total allocation not exceeding EUR 50 000 000 the amount of the ERDF allocated to technical assistance shall be limited to 7 % of the total amount allocated, but shall not be less than EUR 1 500 000 and not higher than EUR 3 000 000.



## **Section IV - Eligibility of expenditure and durability of operations**

### **Article 24 – Eligibility principles**

1. In accordance with Article 18(2) of the ETC Regulation the hierarchy of eligibility rules for this Programme is established as follows:

Without prejudice to the eligibility rules laid down in this Section or in the delegated acts referred to in Articles 27 and 30, the participating countries in the MC shall establish additional rules on eligibility of expenditure for the Programme as a whole.

For matters not covered by eligibility rules laid down in this Section or in the delegated acts referred to in Articles 27 and 30, or in rules established jointly by the participating countries in accordance with the second subparagraph, the national rules of the Member State or the IPA II beneficiary in which the expenditure is incurred shall apply.

2. An operation may receive support under this Programme and from other Union instruments, provided that the expenditure item included in a payment application for reimbursement by the ERDF assistance does not receive support from another Union instrument or support from ERDF assistance under another programme.
3. In accordance with Article 3(2) of Regulation (EU) No 1301/2013 the ERDF assistance may support the sharing of facilities and human resources and all types of infrastructure across borders under this Programme.
4. In addition to Articles 22 and 23, with the exception of Article 31, the provisions of this section shall also apply to Technical Assistance.

### **Article 25 - Eligibility in time**

1. Expenditure shall be eligible for a contribution from the ERDF assistance, both in the Member States and in the IPA II beneficiary if it has been incurred by a beneficiary and paid between 1 January 2014 and 31 December 2023.
2. In the case of costs reimbursed pursuant to points (b) and (c) of the first subparagraph of Article 26(2), the actions constituting the basis for reimbursement shall be carried out between 1 January 2014 and 31 December 2023.
3. Expenditure that becomes eligible as a result of an amendment to a programme shall only be eligible from the date of submission to the Commission of the request for amendment or, in the event of application of Article 10(6), from the date of entry into force of the decision amending the Programme.

### **Article 26 - Forms of support; forms of grants and repayable assistance**

1. The ERDF assistance shall be used to provide support in the form of grants, prizes and repayable assistance, or a combination thereof.

In the case of repayable assistance, the support repaid to the body that provided it, or to another competent authority of the Member State or the IPA II beneficiary, shall be kept in a separate account or separated with accounting codes and reused for the same purpose or in accordance with the objectives of the Programme. (Article 66 CPR)

2. Grants and repayable assistance may take any of the following forms:

- a) reimbursement of eligible costs actually incurred and paid, together with, where applicable, contributions in kind and depreciation;
- b) standard scales of unit costs;
- c) lump sums not exceeding EUR 100 000 of public contribution;
- d) flat-rate financing, determined by the application of a percentage to one or more defined categories of costs.

The options referred to in the first subparagraph may be combined only where each option covers different categories of costs or where they are used for different projects forming a part of an operation or for successive phases of an operation.

3. Where an operation or a project forming a part of an operation is implemented exclusively through the public procurement of works, goods or services, only point (a) of the first subparagraph of paragraph 2 shall apply. Where the public procurement within an operation or project forming part of an operation is limited to certain categories of costs, all the options referred to in the first subparagraph of paragraph 2 may be applied.
4. The amounts referred to in points (b), (c) and (d) of the first subparagraph of paragraph 2 shall be established in one of the following ways:
  - (a) a fair, equitable and verifiable calculation method based on:
    - i. statistical data or other objective information;
    - ii. the verified historical data of individual beneficiaries; or
    - iii. the application of the usual cost accounting practices of individual beneficiaries;
  - (b) in accordance with the rules for application of corresponding scales of unit costs, lump sums and flat rates applicable in Union policies for a similar type of operation and beneficiary;
  - (c) in accordance with the rules for application of corresponding scales of unit costs, lump sums and flat rates applied under schemes for grants funded entirely by the Member State for a similar type of operation and beneficiary;
  - (d) rates established by this Regulation or the Fund-specific rules;
  - (e) specific methods for determining amounts established in accordance with the Fund-specific rules..
5. With regard to the eligibility of contributions in kind in the form of provision of works, goods, services, land and real estate Article 69(1) CPR shall apply.
6. Depreciation costs may be considered as eligible in accordance with Article 69(2) CPR.



**Article 27 - Flat rates for indirect costs and staff costs**

1. Where the implementation of an operation gives rise to indirect costs, they may be calculated at a flat rate in one of the following ways:
  - a) a flat rate of up to 25 % of eligible direct costs, provided that the rate is calculated on the basis of a fair, equitable and verifiable calculation method or a method applied under schemes for grants funded entirely by the Member State or the IPA II beneficiary for a similar type of operation and beneficiary;
  - b) a flat rate of up to 15 % of eligible direct staff costs without there being a requirement for the Member State or the IPA II beneficiary to perform a calculation to determine the applicable rate;
  - c) a flat rate applied to eligible direct costs based on existing methods and corresponding rates, applicable in Union policies for a similar type of operation and beneficiary.

Articles 20 and 21 of Commission Delegated Regulation (EU) No 480/2014<sup>13</sup> concerning the definition of the flat rate and the related methods referred to in point (c) of the first subparagraph of this paragraph shall apply.

For the purposes of determining staff costs relating to the implementation of an operation, the hourly rate applicable may be calculated by dividing the latest documented annual gross employment costs by 1 720 hours.

2. Staff costs of an operation may be calculated at a flat rate of up to 20 % of the direct costs other than the staff costs of that operation.

**Article 28 - Ineligible expenditure**

1. The ERDF assistance shall not support:
  - a) the decommissioning or the construction of nuclear power stations;
  - b) investment to achieve the reduction of greenhouse gas emissions from activities listed in Annex I to Directive 2003/87/EC;
  - c) the manufacturing, processing and marketing of tobacco and tobacco products;
  - d) undertakings in difficulty, as defined under Union State aid rules;
  - e) investment in airport infrastructure unless related to environmental protection or accompanied by investment necessary to mitigate or reduce its negative environmental impact;
  - f) interest on debt;

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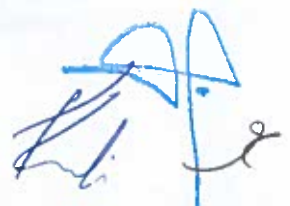
<sup>13</sup> As amended by Commission Delegated Regulation (EU) No 2015/616 of 13 February 2015 amending Delegated Regulation (EU) No 480/2014 as regards references therein to Regulation (EU) No 508/2014 of the European Parliament and of the Council, OJ L 102, 21.4.2015, p. 33.



- g) the purchase of land not built on and land built on in the amount up to 10 % of the total eligible expenditure for the operation concerned. For derelict sites and for those formerly in industrial use which comprise buildings, this limit shall be increased to 15 %. In exceptional and duly justified cases, this limit may be raised above the respective preceding percentages for operations concerning environmental conservation;
  - h) value added tax (VAT) except where it is non-recoverable under national VAT legislation.
2. Operations shall not be selected for ERDF assistance where they have been physically completed or fully implemented before the application for funding under the Programme is submitted by the beneficiary to the managing authority, irrespective of whether all related payments have been made by the beneficiary.
  3. In accordance with point (l) of Article 4 of Commission Delegated Regulation (EU) No 481/2014, charges for financial transactions within a Member State or within an IPA II beneficiary are not eligible.

**Article 29 - Eligibility depending on location**

1. Operations, subject to the derogations referred to in paragraphs 2 and 3, shall be located in the programme area comprising the part of the territory of the participating countries as defined in the Programme (the 'programme area').
2. The managing authority may accept that all or part of an operation is implemented outside the programme area, provided that all the following conditions are satisfied:
  - (a) the operation is for the benefit of the programme area;
  - (b) the total amount allocated under the Programme to operations located outside the programme area does not exceed 20 % of the ERDF assistance at programme level;
  - (c) the obligations of the managing and audit authorities in relation to management, control and audit concerning the operation are fulfilled by the Programme authorities or they enter into agreements with authorities in the Member State or the IPA II beneficiary in which the operation is implemented.
3. For operations concerning technical assistance, promotional activities and capacity-building, expenditure may be incurred outside the programme area provided that the conditions in points (a) and (c) of paragraph 2 are fulfilled.
4. In view of the specific objectives of IPA II set out in Article 3(1) and (2), the ERDF contribution from budget Heading 4 (IPA II) shall not be spent in the part of the programme area comprising Union territory.



**Article 30 - Specific rules on eligibility for certain expenditure categories**

1. Commission Delegated Regulation (EU) No 481/2014<sup>14</sup> shall apply.
2. However, by derogation to Article 5(5) to (8) of that Regulation, the following shall apply:
  - a) For operations concerning technical assistance or promotional activities and capacity-building, expenditure incurred outside the programme area shall be eligible, if incurred in accordance with the conditions in points a) and c) of Article 29(2).
  - b) With regard to other persons than those covered by points d) and e), the managing authority may accept the costs of accommodation and meals taken in establishments located outside the programme area but in an IPA II beneficiary as eligible for the ERDF contribution from budget Heading 4 (IPA II), if incurred in accordance with Article 29(2). This shall also apply to local travel costs at the location of an event or an action outside the programme area but within the Union.
  - c) With regard to other persons than those covered by points d) and e), the managing authority may accept the costs of accommodation and meals taken in establishments located outside the programme area but in an IPA II as eligible for the ERDF contribution from budget Heading 4, if incurred in accordance with Article 29(2) and (4). This shall also apply to local travel costs at the location of an event or an action outside the programme area but in an IPA II beneficiary.
  - d) For the staff of beneficiaries located outside the programme area but within the Union, the managing authority may accept costs referred to in paragraph 1, including costs of travel to and from the location of an event or an action inside or outside the programme area, as eligible for the ERDF contribution from budget Heading 4 (IPA II), if incurred in accordance with Article 29(2).
  - e) For the staff of beneficiaries located outside the programme area but in an IPA II beneficiary, the managing authority may accept costs referred to in paragraph 1, including costs of travel to and from the location of an event or an action inside or outside the programme area, as eligible for the ERDF contribution from budget Heading 4 (IPA II), if incurred in accordance with Article 29(2) and (4).
  - f) For the staff of beneficiaries located inside the programme area the costs referred to in paragraph 1 of Article 5 of Commission Delegated Regulation (EU) No 481/2014, including costs of travel to and from location of an event or an action inside or outside the programme area, shall be considered eligible for the respective ERDF assistance in accordance with Article 29(1).

**Article 31 - Operations generating net revenue**

1. With regard to operations which generate net revenue during their implementation, Article 65(8) CPR shall apply.

<sup>14</sup> Commission Delegated Regulation (EU) No 481/2014 of 4 March 2014 supplementing Regulation (EU) No 1299/2013 of the European Parliament and of the Council with regard to specific rules on eligibility of expenditure for cooperation programmes, OJ L 138, 13.5.2014, p. 45.

2. With regard to operations which generate net revenue after their completion, Article 61 CPR and the fourth subparagraph of Article 65(8) CPR shall apply.

In accordance with Articles 1 and 2 of Commission Delegated Regulation (EU) No 2015/1516<sup>15</sup> a flat rate of 20 % is established for operations in the sector of research, development and innovation as referred to in point (a) of the first subparagraph.

Articles 15 to 19 of Commission Delegated Regulation (EU) No 480/2014<sup>16</sup> concerning the method for calculating the discounted net revenue of operations generating net revenue shall apply.

#### **Article 32 - Durability of operations**

With regard to the durability of operations Article 71 CPR shall apply.

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<sup>15</sup> Commission Delegated Regulation (EU) 2015/1516 of 10 June 2015 establishing, pursuant to Regulation (EU) No 1303/2013 of the European Parliament and of the Council, a flat rate for operations funded by the European Structural and Investment Funds in the Research, Development and Innovation sector, OJ L 239, 15.9.2015, p. 65.

<sup>16</sup> Commission Delegated Regulation (EU) No 480/2014 of 3 March 2014 supplementing Regulation (EU) No 1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund, OJ L 138, 13.5.2014, p. 5.



**Section V – Procurement by beneficiaries from the IPA II beneficiary**

**Article 33 – Applicable procurement rules**

1. For the award of service, supply and work contracts, by beneficiaries from the IPA II beneficiary the procurement procedures shall follow:
  - a) the provisions in Articles 190 and 191 of Chapter 3 of Title IV of Part Two of the Financial Regulation;
  - b) the provisions of Articles 260 to 276 of Chapter 3 of Title II of Part Two of Delegated Regulation (EU) No 1268/2012<sup>17</sup>.

In addition the IPA II beneficiary may opt to make use of the Practical Guide to Contract Procedures for EU External Actions (PRAG) supplementing the provisions under points a) and b) of the first subparagraph. The version of PRAG to be used shall be the one in force at the time of the initiation of the relevant procurement procedure.

In accordance with Article 18(5) of the Framework Agreement, the national law of the IPA II beneficiary transposing Directive 2014/24/EU shall be considered equivalent to the rules applied by the Commission in accordance with the Financial Regulation. The Commission shall inform the IPA II beneficiary and the managing authority about its assessment of such national law and fix a date from which such national law can be applied for the implementation of operations under the Programme.

2. Public procurement procedures with regard to the expenditure linked to the preparatory stage of an operation and launched by beneficiaries before the grant document referred to in Article 14(7) had been provided to the beneficiary shall also follow the provisions referred to in paragraph 1.
3. Public procurement procedures with regard to technical assistance financed from both the contribution from budget Heading 1b and from budget Heading 4 (IPA II) and implemented by the programme authorities located in the Member State shall follow the national public procurement procedures transposing EU Directives.

**Article 34 - Rules on nationality and origin**

1. Participation in the award of procurement contracts, grants and other award procedures for actions financed under the Programme shall be open to all natural persons who are nationals of, and legal persons which are effectively established in the participating countries, other Member States, other IPA II beneficiaries, contracting parties to the Agreement on the European Economic Area and partner countries covered by the European Neighbourhood Instrument (hereafter referred to as 'eligible countries'), and to International Organisations<sup>18</sup>.

Legal persons may include civil society organisations, such as non-governmental non-profit organisations and independent political foundations, community based organisations and private

<sup>17</sup> Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union, OJ L 362, 31.12.2012, p. 1.

<sup>18</sup> International Organisations are international public-sector organisations set up by intergovernmental agreements, specialised agencies set up by such organisations and other non-profit organisations assimilated to international organisations by a Commission decision.



sector non-profit agencies, institutions and organisations and networks thereof at local, national, regional and international level as long as they are capable of having legal rights and duties in accordance with the respective national laws.

The managing authority may allow the participation in call for proposals of entities without legal personality.

2. All supplies purchased under a procurement contract, or in accordance with a grant agreement, financed under IPA II shall originate from an eligible country.

However, they may originate from any country when the amount of the supplies to be purchased is below the threshold for the use of the competitive negotiated procedure<sup>19</sup>. For the purposes of this Article, the term "origin" is defined in Article 23 and 24 of the Council Regulation (EEC) No°2913/92<sup>20</sup>.

3. The rules under this Article do not apply to, and do not create nationality restrictions for natural persons employed or otherwise legally contracted by an eligible contractor or, where applicable, subcontractor.
4. In order to promote local capacities, markets and purchases, priority shall be given to local and regional contractors when the Financial Regulation provides for award on the basis of a single tender. In all other cases, participation of local and regional contractors shall be promoted in accordance with the relevant provisions of the Financial Regulation.
5. Eligibility as defined in this Article may be further restricted in the Special Conditions of this Financing Agreement with regard to the nationality, geographical location or nature of applicants, where such restrictions are required by the specific nature and the objectives of the action and where they are necessary for its effective implementation, in particular to participation in award procedures in case of cooperation actions.
6. Tenderers, applicants and candidates from non-eligible countries or, without prejudice to the second subparagraph of paragraph 2, goods from non-eligible origin may be accepted as eligible by the managing authority in case of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of a project, programme or action impossible or exceedingly difficult.
7. Natural and legal persons who have been awarded contracts shall comply with applicable environmental legislation including multilateral environmental agreements, as well as internationally agreed core labour standards<sup>21</sup>.

#### **Article 35 - Intellectual property rights**

1. Contracts concluded by beneficiaries located in the IPA II beneficiary financed under this Financing Agreement shall ensure that the IPA II beneficiary acquire all necessary intellectual property rights

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<sup>19</sup> See point (b)(ii) of Article 267(1) of Commission Implementing Regulation (EU, Euratom) No 1268/2012: contracts with a value of less than EUR 100 000.

<sup>20</sup> Council Regulation (EEC) N°2913/92 of 12 October 1992 establishing the Community Customs Code and other Community legislation governing non-preferential origin, OJ L 302, 19 October 1992, p. 1.

<sup>21</sup> The ILO core labour standards, conventions on freedom of association and collective bargaining, elimination of forced and compulsory labour, elimination of discrimination in respect of employment and occupation and the abolition of child labour.

with regard to information technology, studies, drawings, plans, publicity and any other material made for planning, implementation, monitoring and evaluation purposes.

2. The IPA II beneficiary shall guarantee that the managing authority, the Commission, or anybody or person authorised by the Commission, shall have access and the right to use such a material. The Commission will only use such material for its own purposes.



## **Section VI – Management, control and designation**

### **Sub-section 1: Designation and functions of the programme authorities**

#### **Article 36 - Designation of authorities**

1. The participating countries in the Programme have designated, for the purposes of Article 123(1) CPR, a single managing authority; for the purpose of Article 123(2) CPR, a single certifying authority, and for the purpose of Article 123(4) CPR, a single audit authority, as set out in table 21 of section 5.1 of the Programme.
2. The managing authority is not responsible for carrying out the functions of the certifying authority. The certifying authority shall receive the payments made by the Commission and shall, as a general rule, make payments to the lead beneficiary in accordance with Article 132 CPR.
3. The procedure for the designation of the managing authority and, where appropriate, of the certifying authority, set out in Article 124 CPR, shall be carried out by the Member State in which the authority is located.

#### **Article 37 - Functions of the managing authority**

1. Without prejudice to paragraph 2 of this Article, the managing authority of the Programme shall carry out the functions laid down in Article 125 CPR and Article 23.
2. As the managing authority does not carry out verifications under point (a) of Article 125(4) CPR throughout the whole programme area, each Member State or each IPA II beneficiary shall designate the body or person responsible for carrying out such verifications in relation to beneficiaries on its territory (the 'controller(s)'), as set out in table 22 of section 5.1 of the Programme.
3. The managing authority shall satisfy itself that the expenditure of each beneficiary participating in an operation has been verified by a designated controller.
4. Each participating country shall ensure that the expenditure of a beneficiary can be verified within a period of three months of the submission of the documents by the beneficiary concerned.
5. Each participating country shall be responsible for verifications carried out on its territory.
6. Where the delivery of co-financed products or services can be verified only in respect of an entire operation, the verification shall be performed by the managing authority or by the controller of the Member State where the lead beneficiary is located.

#### **Article 38 - Joint Secretariat**

The managing authority, after consultation with the Member States and any IPA II beneficiary participating in a cooperation programme, shall set up a joint secretariat, as set up in section 5.2 of the Programme.

#### **Article 39 - Functions of the certifying authority**

The certifying authority of the Programme shall carry out the functions laid down in Article 126 CPR.



**Article 40- Functions of the audit authority**

1. The participating Member States and the IPA II beneficiary may authorise the audit authority to carry out directly the functions provided for in Article 127 CPR in the whole of the territory covered by the Programme. They shall specify when the audit authority is to be accompanied by an auditor of a Member State or the IPA II beneficiary.
2. Where the audit authority does not have the authorisation referred to in paragraph 1, it shall be assisted by a group of auditors composed of a representative from each participating Member State or from the IPA II beneficiary and carrying out the functions provided for in Article 127 CPR, as listed in table 22 of section 5.1 of the Programme. Each Member State or the IPA II beneficiary shall be responsible for audits carried out on its territory.
3. Each representative from a Member State or from the IPA II beneficiary shall be responsible for providing the factual elements relating to expenditure on its territory that are required by the audit authority in order to perform its assessment.
4. The group of auditors shall be set up within three months of the decision approving the cooperation programme. It shall draw up its own rules of procedure and be chaired by the audit authority for the cooperation programme.
5. The auditors shall be functionally independent of controllers who carry out verifications under Article 37.

**Article 41 - Functions of the authorities of the IPA II beneficiary**

1. The authorities and bodies of the IPA II beneficiary shall support the Member State in its responsibilities and cooperate loyally with the single programme authorities.
2. In accordance with its national law, the IPA II beneficiary may authorise the audit authority to carry out directly the functions provided for in Article 127 CPR in the whole of the territory covered by a cooperation programme. That authorization shall specify when the audit authority is to be accompanied by an auditor of the IPA II beneficiary.

Where the audit authority does not have the authorisation referred to in the first subparagraph, it shall be assisted by a representative from the IPA II beneficiary in carrying out the functions provided for in Article 127CPR.

In case described in second subparagraph, the IPA II beneficiary shall be responsible for audits carried out on its territory.

The representative from the IPA II beneficiary shall ensure that audit work takes account of internationally accepted audit standards.

The representative from the IPA II beneficiary shall be responsible for providing the factual elements relating to expenditure on its territory that are required by the audit authority in order to perform its assessment.

The representative from the IPA II beneficiary shall be functionally independent of the controller/s who carry out verifications under Article 37.





**Sub-section 2: Management and control**

**Article 42 - General principles of management and control systems**

1. In accordance with Article 122(1) CPR, the Member State shall ensure that the management and control systems for the Programme are set up in accordance with Articles 72, 73 and 74 CPR.
2. The Member State shall in particular ensure that no later than 31 December 2015 all exchanges of information between beneficiaries and a managing authority, a certifying authority, an audit authority and intermediate bodies can be carried out by means of electronic data exchange systems.

The systems referred to in the first subparagraph shall facilitate interoperability with national and Union frameworks and allow for the beneficiaries to submit all information referred to in the first subparagraph only once.

Articles 8 to 10 of Commission Implementing Regulation (EU) No 1011/2014 concerning the electronic exchange of information shall apply.

**Article 43 - Shared management and responsibilities**

In accordance with the principle of shared management, the Member State, the IPA II beneficiary and the Commission shall be responsible for the management and control of programmes in accordance with their respective responsibilities laid down in Regulation (EU) No 1303/2013, the Financial Regulation and the ETC Regulation.

**Article 44 - Responsibilities of the IPA II beneficiary**

The NIPAC as designated in accordance with the Framework Agreement shall be responsible for coordinating the IPA II beneficiary's participation in the relevant INTERREG programmes. The NIPAC may delegate this coordination task to a territorial cooperation coordinator or operating structure as appropriate.

**Article 45 - Commission powers and responsibilities**

Article 75 CPR shall apply.

**Article 46 - Cooperation between the Commission and the audit authority**

Article 128 CPR shall apply.

**Article 47- Proportional control of cooperation programmes**

Article 148 CPR shall apply.

**Section VII – Calculating basis and aid intensity**

**Article 48 - Basis for calculating the ERDF assistance**

The Commission decision approving the Programme (see Annexes I, II and III) shall set out whether the co-financing rate for each priority axis and for the contribution from budget Heading 1b and the contribution from budget Heading 4 (IPA II) is to be applied to:

- (a) total eligible expenditure, including public and private expenditure; or
- (b) eligible public expenditure.

**Article 49 - Aid intensity**

The Union co-financing rate at the level of each priority axis of the Programme shall not be less than 20% and no higher than 85% of the eligible expenditure.

The IPA II beneficiary shall respect the minimum rate of its contribution specified in Annexes I and III. In case of contributions from both the IPA II beneficiary and the Union, the IPA II beneficiary contribution shall be made available at the same time as the corresponding contribution from the Union.



**Section VIII - Financial management, decommitment, examination and acceptance of accounts, closure and financial corrections**

**Sub-section 1: Commitments and payments**

**Article 50 - Budget commitments**

With regard to budget commitments Article 76 CPR shall apply.

In particular the decision of the Commission adopting the Programme shall constitute a financing decision within the meaning of Article 84 of the Financial Regulation and once notified to the Member State concerned, a legal commitment within the meaning of that Regulation.

**Article 51 - Common rules for payments**

With regard to common rules for payments Article 77 CPR shall apply.

In accordance with Article 27(1) of the ETC Regulation, the ERDF assistance to the Programme shall be paid into a single account with no national subaccounts.

In accordance with Article 21(2) of the ETC Regulation the certifying authority shall receive the payments made by the Commission.

In accordance with Article 129 CPR the Member State shall ensure that by the closure of the Programme, the amount of public expenditure paid to beneficiaries is at least equal to the contribution from the ERDF assistance paid by the Commission to the Member State and to the IPA II beneficiary.

**Article 52 - Common rules for calculating interim payments and payment of the final balance**

With regard to calculating interim payments and payment of the final balance Articles 78 and 130 CPR shall apply.

**Article 53 - Payment applications**

1. With regard to payment applications Articles 79(2) and 131 CPR shall apply.
2. Payment applications shall be submitted in accordance with the model set out in Article 6 and Annex VI of Commission implementing Regulation (EU) No 1011/2014.

**Article 54 - Deadlines for presentation of interim payment applications and for their payment**

Article 135 CPR shall apply.

**Article 55 - Payment to beneficiaries**

1. In accordance with Article 21(2) of the ETC Regulation the certifying authority shall, as a general rule, make payments to the lead beneficiary in accordance with paragraphs 2 and 3.
2. Subject to the availability of funding from initial and annual pre-financing and interim payments, the managing authority shall ensure that a beneficiary receives the total amount of eligible public expenditure due in full and no later than 90 days from the date of submission of the payment claim by the beneficiary.

No amount shall be deducted or withheld and no specific charge or other charge with equivalent effect shall be levied that would reduce amounts due to beneficiaries.

3. In accordance with Article 132(2) CPR the payment deadline referred to in paragraph 2 may be interrupted by the managing authority in either of the following duly justified cases:
  - a) the amount of the payment claim is not due or the appropriate supporting documents, including the documents necessary for management verifications under point (a) of the first subparagraph of Article 125(4) CPR, have not been provided;
  - b) an investigation has been initiated in relation to a possible irregularity affecting the expenditure concerned.

The beneficiary concerned shall be informed in writing of the interruption and the reasons for it.

#### **Article 56 - Use of the euro**

1. Amounts set out in programmes submitted by Member States, forecasts of expenditure, statements of expenditure, payment applications, accounts and expenditure mentioned in the annual and final implementation reports shall be denominated in euro.
2. Member States which have not adopted the euro as their currency on the date of an application for payment shall convert the amounts of expenditure incurred in national currency into euro.

When the euro becomes the currency of a Member State, the conversion procedure set out in the first subparagraph shall continue to apply to all expenditure recorded in the accounts by the certifying authority before the date of entry into force of the fixed conversion rate between the national currency and the euro.

3. Expenditure incurred in a currency other than the euro shall be converted into euro by the beneficiaries using the monthly accounting exchange rate of the Commission in the month during which that expenditure was either:
  - a) incurred;
  - b) submitted for verification to the managing authority or the controller in accordance with Article 42(3); or
  - c) reported to the lead beneficiary.

The method chosen for this Programme shall be set out in the Programme and shall be applicable to all beneficiaries.

The conversion shall be verified by the managing authority or by the controller in the Member State or in the IPA II beneficiary in which the beneficiary is located.

#### **Article 57 - Pre-financing**

Articles 81, 82 and 134 CPR shall apply.

**Article 58 - Interruption of the payment deadline and suspension of payments**

1. Concerning the interruption of payments by the Commission Article 83 CPR shall apply.
2. Concerning the suspension of payments by the Commission Article 142 CPR shall apply.

**Sub-section 2: Decommitment**

**Article 59 - Principles**

1. The Programme shall be submitted to a decommitment procedure established on the basis that amounts linked to a commitment which are not covered by pre-financing or by a payment application within a defined period, including any payment application for which all or part is subject to an interruption of the payment deadline or a suspension of payments, shall be decommitted.
2. The commitment related to the last year of the period shall be decommitted in accordance with the rules to be followed for the closure of the Programme.
3. The part of commitments still open shall be decommitted if any of the documents required for the closure have not been submitted to the Commission by the deadlines established in Article 60.

**Article 60 - Deadline for decommitment**

1. The Commission shall decommit any part of the amount in the Programme
  - (a) that has not been used for payment of the initial and annual pre-financing and interim payments by 31 December of the third financial year following the year of budget commitment under the operational programme; or
  - (b) for which a payment application drawn up in accordance with Article 53 has not been submitted in accordance with Article 54.
2. That part of commitments still open on 31 December 2023 shall be decommitted if any of the documents required under Article 68 has not been submitted to the Commission by 15 February 2025.

**Article 61 - Exceptions to decommitment**

Article 87 CPR shall apply.

**Article 62 - Procedure**

1. The Commission shall inform the Member State, the IPA II beneficiary and the managing authority in good time whenever there is a risk of application of the decommitment rule under Article 59.
2. On the basis of the information it has received as of 31 January, the Commission shall inform the Member State, the IPA II beneficiary and the managing authority of the amount of the decommitment resulting from that information.
3. The Member State shall have two months to agree to the amount to be decommitted or to submit its observations.
4. By 30 June, the Member State shall submit to the Commission a revised financing plan reflecting, for the financial year concerned, the reduced amount of support over one or more priorities of the Programme. Failing such submission, the Commission shall revise the financing plan by reducing the ERDF assistance for the financial year concerned. That reduction shall be allocated to each priority proportionately.



5. The Commission shall amend the decision adopting the Programme, by means of implementing acts, not later than 30 September.

### **Sub-section 3: Accounts**

#### **Article 63 – Preparation, submission, examination and acceptance of the accounts**

1. With regard to the preparation, examination and acceptance of accounts Articles 84, 137 to 139 and 141(2) CPR shall apply.
2. The accounts shall be drafted in accordance with Article 7 and Annex VII of Commission Implementing Regulation (EU) No 1011/2014.
3. In accordance with Article 139(10) CPR the Member State or the IPA II beneficiary may replace irregular amounts which are detected after the submission of the accounts by making the corresponding adjustments in the accounts for the accounting year in which the irregularity is detected, without prejudice to Articles 73 and 74 CPR.
4. In accordance with Article 141(1) CPR, in addition to the documents referred to in Article 138 CPR, for the final accounting year from 1 July 2023 to 30 June 2024, the managing authority shall submit a final implementation report for the Programme.

#### **Article 64 - Availability of documents**

Concerning the obligations of the managing authority to make documents available, the provisions of Article 140 CPR shall apply.

### **Sub-section 4: Financial corrections and recoveries by the participating countries**

#### **Article 65 - Responsibilities of the participating countries**

1. The participating countries shall prevent, detect and correct irregularities and shall recover amounts unduly paid, together with any interest on late payments.
2. The participating countries shall in the first instance be responsible for investigating irregularities and for making the financial corrections required and pursuing recoveries. In the case of a systemic irregularity, the participating country shall extend its investigation to cover all operations potentially affected.
3. The participating countries shall make the financial corrections required in connection with individual or systemic irregularities detected in operations or in the Programme. Financial corrections shall consist of cancelling all or part of the public contribution to an operation or in the Programme. The participating countries shall take into account the nature and gravity of the irregularities and the financial loss to the ERDF assistance and shall apply a proportionate correction. Financial corrections shall be recorded in the accounts for the accounting year in which the cancellation is decided.
4. The contribution from the ERDF assistance cancelled in accordance with paragraph 3 may be reused by the participating countries within the Programme concerned, subject to paragraph 5.
5. The contribution cancelled in accordance with paragraph 3 may not be reused for any operation that was the subject of the correction or, where a financial correction is made for a systemic irregularity, for any operation affected by the systemic irregularity.

#### **Article 66 - Notification of irregularities**

1. Irregularities shall be notified to the Commission in accordance with the first, second and third subparagraph of Article 122(2) CPR.

2. Commission Delegated Regulation (EU) No 2015/1970<sup>22</sup> laying down additional detailed rules on the criteria for determining the cases of irregularity to be reported and the data to be provided shall apply.

In accordance with Article 3(4) of Delegated Regulation (EU) No 2015/1970 irregularities shall be reported by the Member State or the IPA II beneficiary in which the expenditure is paid out by the beneficiary in implementing the operation. The Member State or the IPA II beneficiary shall inform the managing authority, the certifying authority for the programme, the audit authority as well as the national controller as referred to in Article 37(2) and its representative in the group of auditors as referred to in the second subparagraph of Article 40(1).

3. Commission implementing Regulation (EU) No 2015/1974<sup>23</sup> setting out the frequency and the format of the reporting of irregularities shall apply.

#### Article 67 - Recoveries

1. In accordance with Article 27(2) of the ETC Regulation the managing authority shall ensure that any amount paid as a result of an irregularity is recovered from the lead or sole beneficiary. Beneficiaries shall repay to the lead beneficiary any amounts unduly paid.
2. In accordance with Article 27(3) of the ETC Regulation, if the lead beneficiary does not succeed in securing repayment from other beneficiaries or if the managing authority does not succeed in securing repayment from the lead or sole beneficiary, the participating country on whose territory the beneficiary concerned is located or, in the case of an EGTC, is registered shall reimburse the managing authority any amounts unduly paid to that beneficiary. The managing authority shall be responsible for reimbursing the amounts concerned to the general budget of the Union, in accordance with the apportionment of liabilities among the participating countries as laid down in the Programme.
3. In accordance with the second sentence of the fourth subparagraph of Article 122(2) CPR the participating countries may decide not to recover an amount unduly paid if the amount to be recovered from the beneficiary, not including interest, does not exceed EUR 250 in contribution from the ERDF assistance.
4. Commission Delegated Regulation (EU) No 2016/568<sup>24</sup> laying down additional detailed rules on the conditions and procedures to be applied to determine whether amounts which are irrecoverable shall be reimbursed shall apply.

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<sup>22</sup> Commission Delegated Regulation (EU) 2015/1970 of 8 July 2015 supplementing Regulation (EU) No 1303/2013 of the European Parliament and of the Council with specific provisions on the reporting of irregularities concerning the European Regional Development Fund, the European Social Fund, the Cohesion Fund, and the European Maritime and Fisheries Fund, OJ L 293, 10.11.2015, p. 1.

<sup>23</sup> Commission Implementing Regulation (EU) 2015/1974 of 8 July 2015 setting out the frequency and the format of the reporting of irregularities concerning the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund, under Regulation (EU) No 1303/2013 of the European Parliament and of the Council, OJ L 293, 10.11.2015, p. 20.

<sup>24</sup> Commission Delegated Regulation (EU) No 2016/568 29 January 2016 supplementing Regulation (EU) No 1303/2013 of the European Parliament and of the Council with regard to the conditions and procedures to determine whether amounts which are irrecoverable shall be reimbursed by Member States concerning the European Regional Development Fund, the European Social Fund, the Cohesion Fund, and the European Maritime and Fisheries Fund, OJ L 97, 13 April 2016, p. 1.

**Sub-section 5: Financial corrections by the Commission**

**Article 68 – Scope, criteria and procedure**

1. In accordance with Article 85(1), (2) and (3) CPR the Commission shall make financial corrections by cancelling all or part of the ERDF assistance to the Programme and effecting recovery from the Member State and the IPA II beneficiary in order to exclude from Union financing expenditure which is in breach of applicable law.
2. In accordance with Article 85(4) CPR with regard to the criteria for financial corrections the provisions of Article 144(1) to (5) CPR shall apply.
3. Articles 30 and 31 of Commission Delegated Regulation (EU) No 480/2014 concerning financial corrections by the Commission in relation to systems deficiencies shall apply.
4. With regard to the procedure the provisions of Article 145(1) to (7) CPR shall apply.
5. With regard to repayments the provisions of Article 147 CPR shall apply

**Article 69 - Obligations of the participating countries**

In accordance with Article 146 CPR a financial correction by the Commission shall not prejudice the participating countries' obligation to pursue recoveries under Article 67(2) and Member States to recover State aid within the meaning of Article 107(1) TFEU and under Article 14 of Council Regulation (EC) No 659/1999<sup>25</sup>.

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<sup>25</sup> Council Regulation (EC) No 659/1999 of 22 March 1999 laying down detailed rules for the application of Article 93 of the EC Treaty, OJ L 83, 27.3.1999, p. 1.



## **Section IX – Discontinuation and implementing problems**

### **Article 70 - Failure to sign this Financing agreement**

Where the IPA II beneficiary has not concluded this Financing Agreement by the end of the year following the year of the adoption of the Programme or the amendment of the Programme in order to also cover the ERDF assistance in its favour, the Commission may propose to the MC an amendment of the Programme with a view to discontinue the participation of the IPA II beneficiary in the Programme in accordance with the procedure set out in Article 10(4).

Article 71(2) to (4) shall apply *mutatis mutandis*.

### **Article 71 - Implementation problems**

1. Where that part of ERDF assistance of the Programme with regard to a beneficiary in the IPA II beneficiary cannot be implemented owing to problems arising in relations between participating countries and in other duly justified cases, the Commission may propose to the MC an amendment of the Programme with a view to discontinue the participation of the IPA II beneficiary in the Programme before the expiry date of the period of execution in accordance with the procedure set out in Article 10(4).
2. Where the participation of the IPA II beneficiary in the Programme is discontinued, the managing authority shall transmit the final report within six months following the Commission's decision. After clearing the previous pre-financing payments, the Commission shall pay the final balance or, where appropriate, issue the recovery order. The Commission shall also decommit the balance of commitments.
3. That part of ERDF assistance with regard to a beneficiary in the IPA II beneficiary already subject to a grant document without any condition pursuant to the second subparagraph of Article 12(7) shall be repaid to the managing authority unless it has been paid out in respect of contractual obligations of the beneficiary contracted before the Commission discontinuation decision.
4. That part of ERDF assistance with regard to a beneficiary in a Member State already subject to a grant document shall remain available for its normal lifetime but may be used only for activities which take place exclusively in the Member State concerned and contracted before the Commission discontinuation decision.
5. As an alternative, it may be decided to reduce the Programme's allocation with regard to the participation of the IPA II beneficiary to the programme scope in accordance with the procedure set out in Article 10(4).



## **Section X – Final Provisions**

### **Article 72 - Consultation between the participating countries and the Commission**

- (1) The IPA II beneficiary and the Commission shall consult each other before entering into any dispute relating to the implementation of this Financing Agreement further pursuant to Article 76 of these General Conditions or any dispute relating to the interpretation of this Financing Agreement which cannot be solved in accordance with Article 3 of the Special Conditions.
- (2) Where the Commission becomes aware of problems in carrying out procedures relating to the implementation of this Financing Agreement with regard to the IPA II beneficiary, it shall establish all necessary contacts with the IPA II beneficiary to remedy the situation and take any steps that are necessary.
- (3) The consultation may lead to an amendment, suspension or termination of this Financing Agreement.
- (4) The Commission and the IPA II beneficiary shall keep the Member State informed about any consultations or contacts under paragraphs 1 and 2.
- (5) The Commission shall consult the Member State before a measure listed in paragraph 3 is taken.

### **Article 73 - Amendment of this Financing Agreement**

- (1) Without prejudice of paragraph 6, this Financing Agreement is amended as set out in paragraphs 2 to 5.
- (2) Any amendment of this Financing Agreement shall be made in writing.
- (3) If one of the participating countries requests an amendment, the request shall be submitted to the Commission at least six months before the amendment is intended to enter into force.
- (4) In case the Commission becomes aware of a conflict between, on the one hand, the provisions of this Financing Agreement and, on the other hand, the basic acts listed in Article 1 of the Special Conditions, the Commission shall propose the necessary alignment of this Financing Agreement with the provisions of the basic acts.

In case of an amendment to a basic act, the Commission shall propose the necessary alignment of this Financing Agreement with the amended provisions of the basic acts within two months of the entry into force thereof.

- (5) Amendments to Implementing Regulation (EU) No 2015/207 as regards different models do not require amendments to this Financing Agreement. The IPA II beneficiary shall be informed in writing about any such amendment and its entry into force.
- (6) The managing authority shall notify the Commission in writing any decision amending [Annex [V]] [the specific document referred to in Article 10 of the Special Conditions] within one month of the date of that amending decision. The amending decision shall specify the date of its entry into force. The Commission will acknowledge receipt of that notification in writing.

At the occasion of an amendment of this Financing Agreement in accordance with paragraphs 2 to 5, [Annex [V]] [the reference to the specific document referred to in Article 10 of the Special Conditions] shall be replaced by the most recent version notified to the Commission.

### **Article 74 - Suspension of this Financing Agreement**

- (1) This Financing Agreement may be suspended in the following cases:
  - (a) if the IPA II beneficiary breaches an obligation under this Financing Agreement;
  - (b) if the IPA II beneficiary breaches any obligation set under the procedures and standard documents referred to in Article 18(2) of the Framework Agreement;

- (c) if the IPA II beneficiary does not meet requirements for entrusting budget implementation tasks;
  - (d) if the IPA II beneficiary decides to suspend or cease the EU Membership accession process;
  - (e) if the IPA II beneficiary breaches an obligation relating to respect for human rights, democratic principles and the rule of law and in serious cases of corruption.
- (2) This Financing Agreement may be suspended in cases of *force majeure*, as defined below.
- "*Force majeure*" shall mean any unforeseeable and exceptional situation or event beyond the parties' control which prevents either of them from fulfilling any of their obligations, not attributable to error or negligence on their part (or the part of their contractors, agents or employees) and proves insurmountable in spite of all due diligence. Defects in equipment or material or delays in making them available, labour disputes, strikes or financial difficulties cannot be invoked as *force majeure*. A party shall not be held in breach of its obligations if it is prevented from fulfilling them by a case of *force majeure* of which the other party is duly informed. A party faced with *force majeure* shall inform the other party/parties without delay, stating the nature, probable duration and foreseeable effects of the problem, and take any measure to minimise possible damage. If *force majeure* impacts only part of the Programme, the suspension of this Financing Agreement can be partial.
- Neither of the Parties shall be held liable for breach of its obligations under this Financing Agreement if it is prevented from fulfilling them by *force majeure*, provided it takes measures to minimise any possible damage.
- (3) The Commission may suspend this Financing Agreement without prior notice.
  - (4) The Commission may take any appropriate precautionary measure before suspension takes place.
  - (5) When the suspension is notified, the consequences for the on-going or to be signed procurement and grant contracts, and delegation agreements shall be indicated.
  - (6) A suspension of this Financing Agreement is without prejudice to the interruption of payments in accordance with Article 58 and to the termination of this Financing Agreement by the Commission in accordance with Article 75.
  - (7) The Parties shall resume the implementation of this Financing Agreement once the conditions allow with the prior written approval of the Commission. This is without prejudice to any amendments of this Financing Agreement which may be necessary to adapt the Programme to the new implementing conditions, including, if possible, the extension of the eligibility period, or the termination of this Financing Agreement in accordance with Article 75.

#### **Article 75 - Termination of this Financing Agreement**

- (1) If the issues which led to the suspension of this Financing Agreement have not been resolved within a maximum period of 180 days, either party may terminate this Financing Agreement at 30 days' notice.
- (2) This Financing Agreement shall be automatically terminated, if within the period of two years of its signature:
  - (a) it has not given rise to any payment;
  - (b) no implementing contract or delegation agreement has been signed.
- (3) When the termination is notified, the consequences for the on-going procurement and grant contracts, delegation agreements and such contracts or grants, and delegation agreements to be signed shall be indicated.
- (4) The termination of this Financing Agreement shall not preclude the possibility of the Commission to make financial corrections in accordance with Article 68.



**Article 76 - Dispute settlement arrangements**

- (1) Any dispute concerning this Financing Agreement which cannot be settled within a six-month period by the consultations between the parties provided for in Article 72 should be submitted to the jurisdiction of the European Court of Justice. If an IPA II beneficiary country does not accept such a jurisdiction, and only in this case, the dispute shall be submitted to an arbitration procedure.
- (2) In case of arbitration, the parties shall designate a common arbitrator within 30 days of the request for arbitration. Failing that, each party shall designate its own arbitrator: Then, the two arbitrators shall in their turn designate a third arbitrator within 30 days. Unless the arbitrators decide otherwise, the procedure laid down in the Permanent Court of Arbitration Optional Rules for Arbitration Involving International Organisations and States shall apply. The arbitrators' decisions shall be taken by a majority within a period of three months.
- (3) Each party shall be bound to take the measures necessary for the application of the arbitrators' decision.

