

Translation

German Policy Paper on an EU Strategy for the Danube Region

I. General

Since the 2004 and 2007 EU enlargement rounds many more Danube region countries have joined the EU. At the same time the EU's cooperation with Danube region countries that do not belong to the EU has become increasingly intensive. This gives the EU new scope to strengthen the region's competitiveness and meet regional challenges.

Germany therefore welcomes the decision taken at the European Council of 18/19 June 2009 to invite the Commission to present an EU strategy for the Danube region by the end of 2010.

The Final Declaration of the Ulm Danube Summit on 6 May 2009 identified the challenges that Germany believes an EU strategy for the Danube region should address:

- competitiveness/growth/prosperity
- transport
- energy/energy security
- environmental protection/the Danube as an eco-system
- culture
- promoting good-neighbourly relations between the countries of the region

Other important dimensions are:

- climate protection
- security cooperation
- education and research
- promoting cooperation at local level

II. Objectives

An EU strategy for the Danube region should

- treat the Danube region as a common EU responsibility and draw up a common vision for the region's development;
- promote good-neighbourly relations between all participants;
- drive forward the macro-region's economic and geographical integration into the EU through inter alia coordinated implementation of the *acquis communautaire* and measures to tackle the aforementioned regional challenges, which would generate benefits for the whole EU;
- reduce economic disparities within the region and thus enhance cohesion;
- help protect the eco-system of the Danube region;
- make existing EU policies, programmes and projects more effective by utilizing the scope for increased coherence and synergies in their implementation and ensuring optimal use of the region's territorial potential;
- identify programmes and projects that regional and international financial institutions might be interested in supporting.

III. Framework

In an EU of 27 member states an EU macro-regional strategy can set out parameters for the region's development and encourage coordinated cooperation in a way that makes fuller and more effective use of the Danube region's immense potential for development.

In this connection the EU Strategy for the Baltic Sea Region approved by the European Council on 29/30 October 2009 could provide a useful model as well as guidance as to what a regional strategy under EU auspices could seek to accomplish.

The overwhelming majority of Danube region countries are EU member states. Hence any macro-strategy for the Danube region will be first and foremost an internal EU strategy.

In many respects, however, the inclusion and participation of non-EU countries is crucial if the desired objectives are to be achieved. With regard to participation by non-EU countries, two important aspects should be borne in mind:

- Such participation must not blur the strategy's focus, shifting it to the EU's external relations rather than the Danube region. Hence there must be no duplication of the European Neighbourhood Policy and, building on this, the Eastern Partnership, the Black Sea Synergy Initiative or the Regional Cooperation Council nor any reduction of effort in this connection.
- The integrity of the opinion-forming process within the EU – notably as regards the implementation of EU policies and the strategy's internal governance – must not be compromised.

The planned stakeholder conferences are a good opportunity to ensure that third countries and non-state actors are brought in at an early stage.

An EU strategy for the Danube region is a chance to translate into action an integrated approach to developing the region. Such a strategy should not only set out a vision and basic parameters for the region's development, however. Its prime aim should be to promote cooperation on implementing concrete projects.

Given the Danube region's dense network of cooperation structures, networks and institutions, inviting them to contribute their experience and expertise to the development and implementation of such a strategy would make very good sense.

Where new projects are envisaged under the strategy in areas already covered by cooperation formats such as the International Commission for the Protection of the Danube River, responsibility for implementing them should be transferred to existing stakeholders. Duplication should be avoided.

The EU Strategy for the Baltic Sea Region has shown that no new institutions are needed to pursue such a strategy. The governance rules drawn up for this EU Strategy would be a good basis also for a Danube region strategy.

At both national and regional level it is vital that responsibility for implementing new projects should lie with the participating member states themselves. As the key actors, they must be in charge of implementing any action plan. The principle of subsidiarity must be respected. It must be the member states that drive the strategy forward.

Notably in the area of EU structural policy this means the following points must be borne in mind:

- There must be no requirement to tailor Structural Fund programmes to the macro-strategy.
- Within their sphere of competence it must be up to the member states and regions to evaluate projects and their associated objectives and priorities and to allocate funds accordingly.
- Implementing the macro-strategy must in no way increase the workload of administrative authorities. It is important not to create any new reporting obligations or institutions.
- The future design of structural policy must be the subject of a general debate involving all member states and regions. This debate will take place in the context of the forthcoming review of the financial perspective and the negotiations on the next multi-annual financial framework.

All macro-regional strategies should be implemented with existing financial resources (including the EU's external relations financial instruments ENPI and IPA) and through established cohesion policy mechanisms. Programmes serving the objective European Territorial Cooperation (cross-border, transnational and interregional cooperation) are thus a key instrument for achieving the objectives of a strategy for the Danube region. At the discretion of member states, projects serving other cohesion policy objectives could also be geared to the strategy's goals. EU programme components that promote interregional cooperation should be further developed in line with the strategy.

Here the right approach is a cross-sectoral strategy designed to improve connectivity between the various EU policies and programmes operating in a region as well as to coordinate them better.

An EU strategy for the Danube region should also seek to ensure that regional and international financial institutions play a bigger role in new infrastructure projects in the region.

IV. Possible areas of action

1) Competitiveness/growth/prosperity

Due to the limited size of the region's domestic markets, the Danube region would benefit from a fully functioning EU internal market. Companies are very keen to see EU legislation implemented and interpreted at national level in a way that minimizes differences in domestic legislation and ensuing costs to themselves.

One important priority is to create an optimal environment for the Danube region's small and medium-sized enterprises (SMEs) to grow and prosper. Due not least to the limited size of domestic markets in the Danube region, SMEs have a key role to play in generating prosperity there. To achieve this objective, the six member states in the Danube region should prioritize the effective implementation of the measures provided for under the Small Business Act for Europe (SBA) adopted by the Commission in June 2008. The SBA sets out the parameters of European SME policy for the next few years. Another priority would be to examine how, within the framework of the Structural Fund's operational programmes, SMEs in the Danube region could be promoted even more effectively over the years ahead with a view to boosting both the region's and their own development.

Agriculture, small business, industry and services should be given equal priority.

Education, science and research are key to the Danube region's competitiveness. An EU strategy for the Danube region could assist e.g. in

- developing research infrastructure that builds on the region's specific strengths

- promoting centres of excellence in the region with a thematically relevant regional profile
- creating networks designed to promote product and process innovation particularly in SMEs
- supporting exchange programmes for researchers and students.

Efforts on the macro-regional side must be complemented by efforts to make cities and sub-regions more competitive not only in terms of sectoral issues but also in terms of creating and preserving an attractive business environment, developing municipal and sub-regional cooperation as well as urban-rural partnerships and promoting rural development within the scope of applicable EU rules. The idea here is to encourage sustainable development. An EU strategy for the Danube region could draw on existing networks in this area and best practices developed by the Regional Cooperation Council, the Council of the Danube Cities and Regions etc.

2) Transport

Transport infrastructure is crucial for the Danube region's future. Improved infrastructure for water and land transport as well as the development and implementation of innovative transport and logistics concepts will help the Danube region exploit its pivotal location between West and East and gain a competitive edge.

In the light of environmental and climate protection goals, greater use of inland navigation and rail transport should be promoted wherever appropriate. While taking ecological and environmental concerns into account, studies should be carried out into the feasibility of further developing the Danube for inland navigation and improving modal network linkage as well as the development and promotion of integrated transport and technical information systems.

As part of an EU strategy for the Danube region, it is important to consider what projects could be developed and promoted under the Transeuropean Transport Network (TEN-T).

Since shifting more goods traffic to the Danube is a desirable goal, the International Commission should be supported in its efforts to develop a modern navigation regime for the

Danube. Where appropriate, the International Commission for the Sava River Basin should also be involved. In this connection it is very important that the process of reviewing the Belgrade Convention is brought to a conclusion.

3) Energy/climate protection/energy security/efficiency

Both for the population and the economy of the region secure, efficient and eco-friendly energy supplies are of critical importance. An EU strategy for the Danube region should:

- provide for measures to enhance the region's energy security through greater use of eco-friendly and climate-compatible energy and increased energy efficiency as well as better linkage between and full compatibility of national power grids;
- provide for measures to diversify energy production and increase the share of renewables in the energy mix by e.g. intensifying research on and use of renewables (wind, water, solar and geothermal energy, biomass) as well as technologies for storing and feeding them into the power grid with a view to making a major contribution to climate protection and sustainable development;
- draw on experience with regionally appropriate types of eco-friendly and climate-compatible energy production with a view to enhancing regional energy security in the most cost-efficient way possible and promoting rural development in particular.

Under the Transeuropean Energy Networks Programme (TEN-E) the relevant financing committee should examine what project studies could help realize such measures.

4) Environmental protection/the Danube as an eco-system

Protecting the Danube eco-system is a matter of high priority. An EU strategy for the Danube region must aim to improve water quality and the physical structure of watercourses, preserve biological diversity and prevent flooding.

In particular any development of further river sections for navigation must be environmentally sound and realized in a way that minimizes the impact on the eco-system. Riverscapes and riparian forests must be conserved in line with European sustainability, water and climate protection goals.

The strategy should draw on experience with the Convention on Cooperation for the Protection and Sustainable Use of the Danube River (Danube River Protection Convention), which established the International Commission for the Protection of the Danube River (ICPDR), and with the Convention on the Protection and Sustainable Use of the Carpathians (Carpathian Convention).

The dialogue between the environmental and navigation sectors that started with the cooperation between the Danube Navigation Commission (DC), the International Commission for the Protection of the Danube River (ICPDR) and the Sava Commission on drawing up the Joint Statement Navigation should be continued.

5) Cultural and intersocietal contacts

In terms of history and culture, people throughout the Danube region have a shared heritage. The strategy should use these ties as a lever to promote even greater cultural and civil society cooperation. The regional and local level has a vital role to play here.

The idea is for the Danube region to become a European trademark – the strategy for the Danube region should help strengthen the regional identity of its inhabitants. The host of regional and local events celebrating Danube Day every year on 29 June is an impressive demonstration of this identity. For many of these events an EU strategy for the Danube region could provide an overall framework as well as a focus for mobilizing resources in the tourism sector.

Tourism is making an increasingly significant contribution to growth in the region. Sustainability should overall be an important criterion in developing tourism in the region. Although the Commission has no specific competence here, some of its instruments could also serve to develop tourism. Their potential for developing and promoting tourism in the Danube region, including cultural and cultural heritage aspects, should therefore be investigated.

Project-oriented cooperation should act as a catalyst for intersocietal exchanges and close collaboration between neighbours in the region.

6) Cooperation in the area of legal security and good governance

The achievement of high standards in this area is crucial for the development of the region in general and its economic development in particular. The many existing programmes promoting cooperation in this area between the countries in the region should be continued and expanded wherever possible.