

**Contribution by the Austrian Länder
Burgenland, Lower Austria, Upper
Austria and Vienna to the EU Strategy
for the Danube Region**

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Contents

1	EU Strategy for the Danube Region	5
1.1	Context.....	5
1.2	Objectives of an EU Strategy for the Danube Region	5
2	The Danube Region in the Limelight.....	6
2.1	Definition and Affiliation	6
2.2	Transnational Development Issues of Special Significance for Austria	6
2.2.1	The Danube Region Subject to Demographic Change	7
2.2.2	Economic Development of the Danube Region	8
2.2.3	Knowledge and Innovation in the Danube Region.....	10
2.2.4	The Danube Region and its Socio-Cultural Aspects	10
2.2.5	Danube Ecosystem. Biodiversity and Hazard Potential	10
2.2.6	Transport and Inland Navigation	11
3	Selected Transnational Institutions and Initiatives in the Danube Region	13
3.1	Involvement in Relevant Transnational Institutions	13
3.2	Participation in Transnational Cooperation Projects in the Danube Region.....	14
4	Elements of an EU Strategy for the Danube Region.....	15
4.1	Methodology	15
4.2	Pillars of the Strategy	15
4.3	Priority Areas	15
4.3.1	Strategy Pillar “Environment and Risk Prevention”	16
4.3.2	Strategy Pillar “Connectivity”	17
4.3.3	Strategy Pillar “Socio-Economic Integration”	17
4.3.4	Strategy Pillar “Prosperity and Security for all Citizens”	18
4.3.5	Strategy Pillar “Cooperation of Cities and Regions to Promote Innovation and Improve European Governance”	19
4.4	Summary	20

Tables and Figures

Table 1.	Modal split in goods transport in % (selected countries of the Danube Region)	12
Figure 1.	Total population change, by NUTS 2 regions, average 2003 to 2007, per 1,000 inhabitants	7
Figure 2.	GDP per inhabitant, in PPS, by NUTS 2 regions, average 2004-2006, in percentage of EU-27 = 100 .	9
Figure 3.	Change of GDP per inhabitant, in PPS, by NUTS 2 regions, 2006 compared with 2001, in percentage points of the average EU-27	9
Figure 4.	Danube river basin: relief and topography	11
Figure 5.	An overview of strategy pillars and priority areas	20

Abbreviations

BMeiA	Federal Ministry for European and International Affairs
BMLFUW	Federal Ministry for Agriculture, Forestry, Environment and Water Management
BMVIT	Federal Ministry for Transport, Innovation and Technology
CAP	Common Agricultural Policy
EC	European Commission
ETC	European Territorial Cooperation
EU27	27 EU Member States
EUSBSR	EU Strategy for the Baltic Sea Region
FDI	Foreign direct investment
FH	University of applied sciences
GDP	Gross domestic product
GDP/inh	Gross domestic product per inhabitant
GEIZ	Global Economic Integration Zone
ICPDR	International Commission for the Protection of the Danube River
NGO	Non-governmental organisation
NUTS	Nomenclature of Territorial Units for Statistics
OSCE	Organisation for Security and Cooperation in Europe
PPS	Purchasing power standard
R&D	Research and development
SECI	South-East European Cooperation Initiative
SF	Structural Funds
TEN-T	Trans-European Transport Network
WFD	Water Framework Directive

1 EU Strategy for the Danube Region

1.1 Context

The European Council requested the European Commission in June 2009 to draw up a transnational strategy for the future of the Danube Region. Key to this request has been a joint initiative of the Romanian and Austrian governments. Modelled after the European Union Strategy for the Baltic Sea Region (EUSBSR), which has been adopted after years of preparation, the EU Danube Strategy should be developed together with the Member States.

The timetable for such a strategy involves consultation between the European Commission and the Member States from the beginning of 2010 and decision by the European Council by the end of 2010 for this Danube Strategy to be launched under the Hungarian Presidency (first half of 2011). The EU Strategy for the Danube Region (as well as other macro-regional strategies) will also play a major role in defining future EU policy implementation.

The EC's intention of devising (framework) strategies for greater transnational regions was already included in the "Europe 2000 plus" document of 1994. Macro-regional strategy orientation has been of comparatively little importance within Europe's spatial development policy. Alongside cross-border cooperation, transnational cooperation has been increasingly taken forward by cohesion policy since 1999. (INTERREG IIC, INTERREG IIIB, ETC as of 2007). Under INTERREG IIc various strategies and development visions have been developed for many macro-regions. Except for the Baltic Sea Strategy, however, they have been restricted to expert papers of little consequence. Experience with purely project-based transnational cooperation since 2002 has put the strategic incorporation of these activities back on the agenda.

Austria has always placed great value on transnational cooperation and, in so doing, has seen itself as a mediator between Member States and non or not yet Member States. Examples include:

- Administrative authority function in cross-border and transnational Structural Fund programmes assumed by Austria's Federal Chancellery and several Austrian Länder.
- Danube Cooperation Process initiated in 2002 with three high-level conferences till now (Vienna 2002, Bucharest 2004, Belgrade 2006).
- Preparation of first vision for developing the Central and South-East European Area and involvement of the Federal Chancellery in the Vision Planet Interreg project.

Austria's involvement at transnational level stems from the conviction that the outcome of the European project will depend not only on the decisions taken in Brussels but also on the successful daily communication and cooperation in the public and private sector across traditional borders. Austrian stakeholders also believe that European politics – consistent with the principle of subsidiarity – need to involve the regions directly, and that the regions need to make European politics their own.

At the same time it is evident that the policy decisions of each level frequently involve pre-conditions and consequences which are not restricted to an individual region's direct remit but require systematic cooperation across regional and national borders.

1.2 Objectives of an EU Strategy for the Danube Region

This is why Austria expects the intended EU Strategy to

- provide sustainable development to all cities and regions of the Danube Region and ensure fair chances in life to its inhabitants under adequate circumstances of personal and societal security,
- coordinate the necessary deployment of resources at the most suited spatial level,
- improve the effectiveness and efficiency of the deployed European resources by macro-regional cooperation and coordination,
- give additional impetus to European integration inside and outside the current EU Member States through the new "macro-regional" level of action.

2 The Danube Region in the Limelight

2.1 Definition and Affiliation

The Danube is the second largest river in Europe and of major significance to the riparian countries in topographical, ecological, economic and cultural terms. It directly links eight countries and four capitals (Vienna, Bratislava, Budapest, Belgrade). Running from north-west to south-east, it also links the North Sea with the Black Sea and thus ensures connection to the most important harbours in Western Europe, the Black Sea and the Mediterranean. The Danube river plays a key role in energy production and offers direct locational advantages to business and industry. The river and its delta define precious natural landscapes and include the largest conservation area among Europe's river deltas. The latter is one of the world's largest wetlands featuring unique fauna and flora, as well as thirty different types of ecosystems.

Apart from the hydrological definition of the Danube catchment area (Danube basin), there is no generally recognised definition of the Danube Region. The currently used definitions are guided by their semantic background. Basically, such definitions can move different dimensions centre-stage: the political, economic, natural spatial, historical or cultural dimension.

In the current debate it is important to address the Danube Region in terms of an aggregate or potential action area which may assume an active role in the development of Europe. The enhanced propagation of macro-regions (such as Mediterranean, Baltic Sea, Black Sea, Alpine regions) has made it increasingly necessary to delineate the Danube Region from other European macro-regions.

In terms of a European macro-region, the Danube Region could be defined by the following criteria:

- major portion (roughly one third) of the country's territory located within the hydrological catchment area of the Danube, or
- riparian state of the Danube

In any case, both the EU Member States and the accession candidates (including pre-accession candidates) should be included. The Danube Region should be seen as a consistent connection between the Baltic Sea region, the Black Sea region, the Adriatic region, as well as the Alpine region.

According to this definition, fourteen countries (eight EU Member States, four candidates and two third countries) belong to the Danube Region. Where necessary, this definition may be restricted to certain regions of a country (such as Germany, Ukraine, and maybe Czech Republic) or enlarged. The decisive criterion, however, should be the subjective affiliation of a country or region to the Danube macro-region.

In fact, the Danube Region is not only a conglomerate of countries but it also differs greatly in terms of spatial structure. Hence it is a macro-region with a clear system of cities, towns and functional spaces within the Danube's catchment area, including:

- The metropolises or capitals (Munich, Prague, Vienna, Bratislava, Budapest, Belgrade, Bucharest, Sofia, Zagreb and Ljubljana) including their hinterland regions,
- The rural regions including the associated centres in countries considering themselves affiliated to the Danube Region,
- The harbour sites along the Danube waterway and the Danube basin's towns of supra-regional significance in terms of poles of cultural and economic development.
- The Danube waterway and the transport corridors that run parallel to the river, as well as the connecting corridors that lead away from the river basin,
- Areas along the Danube and its tributaries which are particularly worthy of protection for ecological reasons and parts of which are located in urban regions.

2.2 Transnational Development Issues of Special Significance for Austria

The Danube Region, as defined above, is a very heterogeneous entity. The relevant structures and prevailing trends in this macro-region have not yet been identified and validly described – a task to be undertaken when developing a strategy with territorial reference.

Some of the EU Danube Strategy policy areas of importance to the four involved Austrian Länder will be addressed in the following chapters. Major structural elements and trends will be highlighted and tested for their

relevance for Austria. The potential and opportunities generated by these facts form the background for the priority areas proposed later (chapter 4.3).

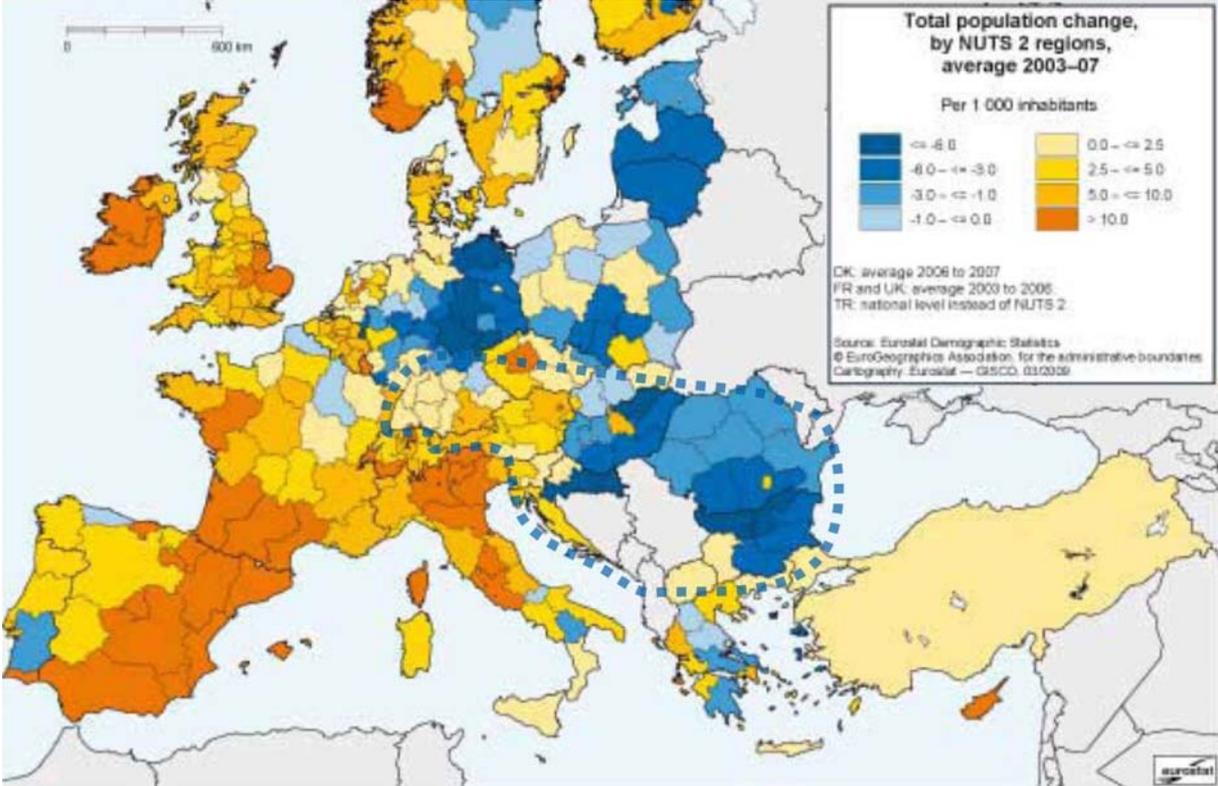
2.2.1 The Danube Region Subject to Demographic Change

The demographic trends in the Danube Region vary. There is a disparity between the countries in the north-west and those in the south-east. Most of the south-east European countries of the Danube Region suffer from population decline, especially Bulgaria, Slovakia, Hungary, Romania and Croatia¹ (between 2003 and 2007), while the north-western territories of the Danube Region record population growth, especially Austria, but also South Germany.

Migration movements affect the countries of the Danube Region to varying extents. There are immigration countries, such as Germany and Austria, as opposed to countries with higher rates of emigration. This trend continues with persistently high growth rates for central (capital) city regions (in particular Vienna, Budapest, Bucharest).

Austria’s special situation within the Danube Region is characterised by the fact that, at the national level, it was the country with the strongest rates of population growth on average between 2003 and 2007. At the regional level, growth was most pronounced in Vienna followed by the Länder Tirol, Lower Austria and Vorarlberg. The lowest population growth was recorded by Carinthia.

Figure 1. Total population change, by NUTS 2 regions, average 2003 to 2007, per 1,000 inhabitants



Source: Eurostat regional yearbook 2009

¹ No time series available for Serbia

The following aspects are of special importance among these trends:

- Among the countries of the Danube Region Austria can be regarded as one of the population “winners” with population “losers” in its direct vicinity (primarily Hungary). The balance of bilateral migration between Austria and a number of countries (DE, SR, HR) is substantial, and in virtually all cases it is positive.
- Due to migration flows from peripheral to central urban spaces there is a newly emerging need for action for all countries of the Danube Region concerning infrastructure and public services.
- Population ageing requires novel solutions in housing, services of general interest and infrastructure.

2.2.2 Economic Development of the Danube Region

In terms of economic performance, the Danube Region provides roughly 11% to the EU’s total GDP (at market prices 2008). However, there are major national and regional disparities concerning the socio-economic development of the Danube Region. This is reflected in the regional gross domestic product (GDP/regional population). The Danube Region includes both the richest and the poorest regions in Europe, such as Upper Bavaria in Germany and Romania’s North-East Region (GDP 2006: EUR 39,700 versus EUR 5,800).

Lesser developed regions (< 50% GDP/inh of EU27) are predominantly found in the new Member States, such as Slovakia, Hungary, Bulgaria and Romania, as well as in Croatia. However, there are exceptions to this rule. For instance, Közép Magyarország in Hungary or Bratislavský kraj in Slovakia are particularly well-developed regions in Europe. In general, the new Member States exhibit greater regional disparities, with the major portion of economic activity concentrated in and around their capitals (such as Sofia, Budapest and Bratislava). Austria’s eastern neighbours also boast higher GDP/inh in regions that border directly on Austria.

The following trends are of special importance:

- Although generally on the rise, trade flows within most countries of the Danube Region are still comparatively low (save those between Austria and Germany) and can be extended.
- Foreign direct investment (FDI) is one of the key sources of growth and competition in the Danube Region (especially Hungary and Slovakia have benefited from FDI). However, FDI is increasingly directed towards non-Member States and accession candidates. Austrian companies have pioneered this trend and are now the strongest investors in Croatia, for instance.

Figure 2. GDP per inhabitant, in PPS, by NUTS 2 regions, average 2004-2006, in percentage of EU-27 = 100

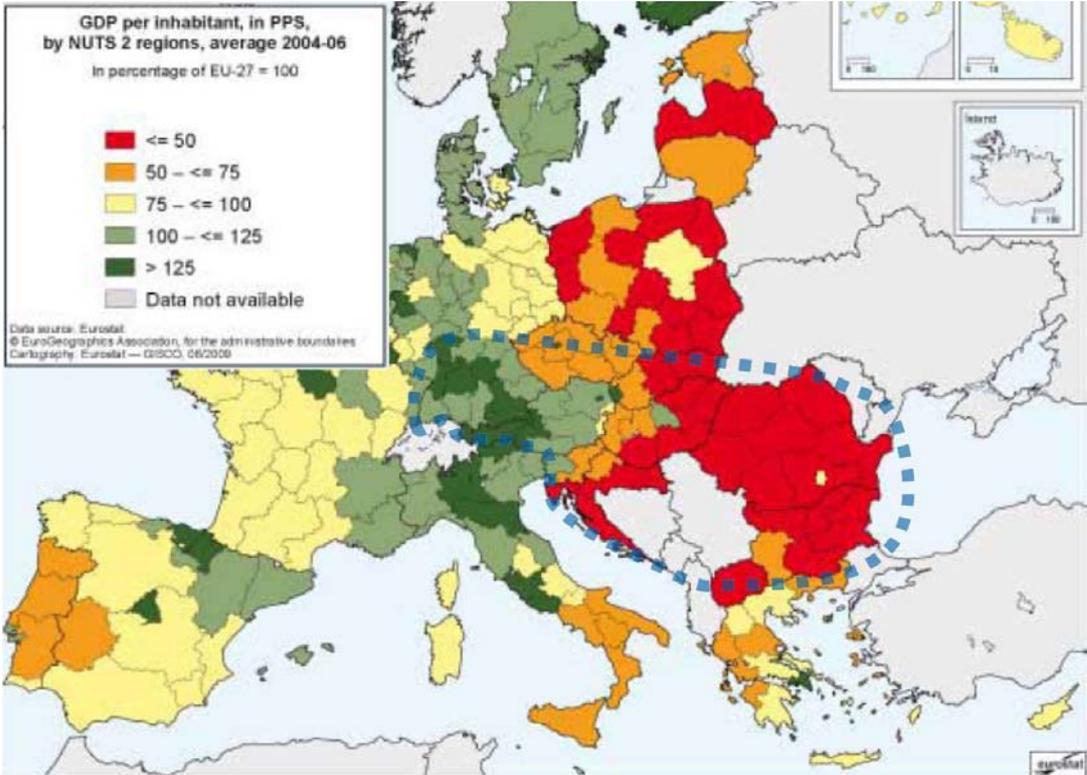
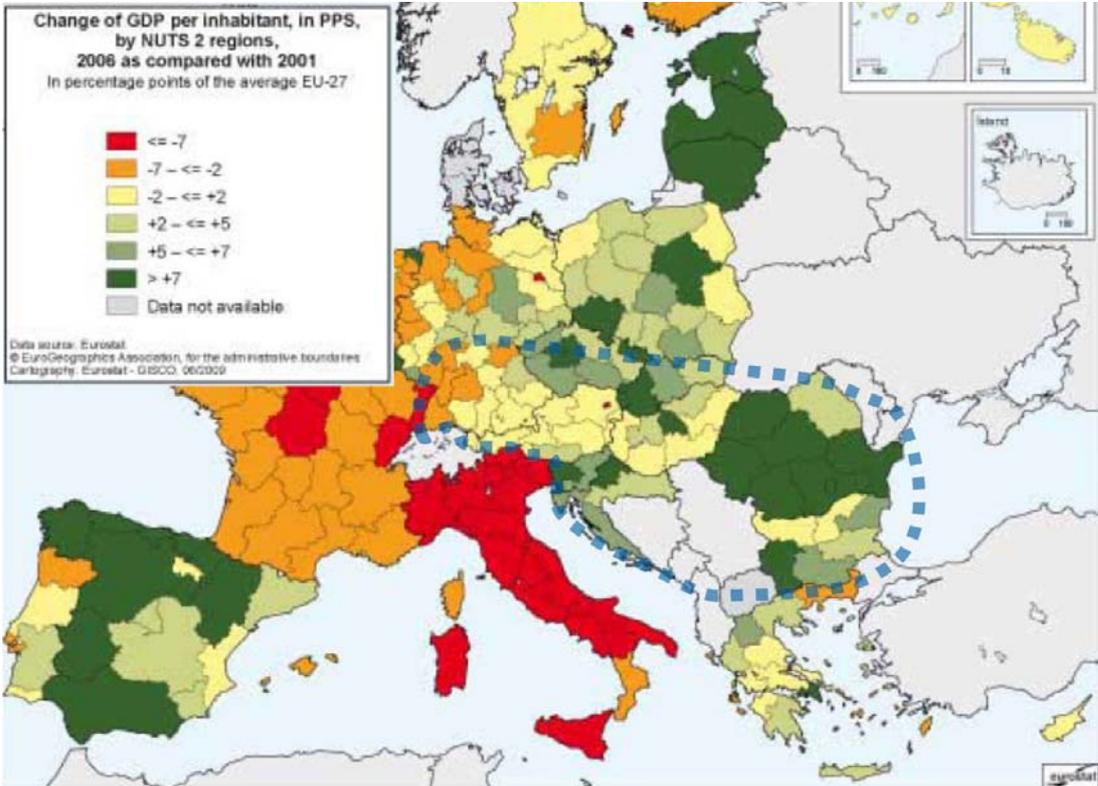


Figure 3. Change of GDP per inhabitant, in PPS, by NUTS 2 regions, 2006 compared with 2001, in percentage points of the average EU-27



Source: Eurostat regional yearbook 2009

2.2.3 Knowledge and Innovation in the Danube Region

The wider conditions for knowledge and innovation in the Danube macro-region vary greatly by country and region. The knowledge and innovation landscape is characterised by strong regional disparities even in the leading countries. A cluster of regions with comparatively high R&D intensity, i.e. more than 2% of GDP spent on R&D, can be discerned in South Germany and parts of Austria (such as in Vienna), whereas similar R&D concentrations in the neighbouring new Member States are primarily found in the capital city regions of the Czech Republic (plus other regions in Moravia), Hungary and Slovenia.

Regions in south-east Europe and in the new Member States with generally low R&D expenditure coincide with the fastest growing R&D intensities (such as those of Romania) and innovation hot-spots (Bratislava region) of above-average importance.

The following aspects among these trends are of special importance to Austria:

- In general, R&D spending in the Danube Region is highly polarised. Therefore, there is major potential for an exchange of institutional capacity (in terms of regional innovation strategies, etc.)
- The financial crisis has created new needs for action in R&D and innovation. Especially the decline in private (venture capital) finance must be stopped.

2.2.4 The Danube Region and its Socio-Cultural Aspects

The Danube Region is characterised by great diversity in terms of language, ethnicity and religion, while in political and institutional terms it is characterised by a juxtaposition of countries with comparatively long traditions of sovereignty and democracy and countries which have become sovereign only in recent years or decades. The ensuing heterogeneity of the macro-region is reflected in frequent changes of power, different geopolitical spheres of influence and often a lack of congruence between ethnic settlement area and political-administrative area. Whereas this gave rise to conflicts, revolutions and wars until the most recent past, the periods of peaceful coexistence and the importance of the common cultural heritage prevail overall.

The variety and interrelation of cultures and traditions in the Danube Region present great potential. Action needs to be taken to strengthen cooperation and overcome barriers, primarily those in people's minds.

There are also major political-administrative differences (such as centrally governed versus federal states). Such disparities should be borne in mind when cooperation programmes are initiated between Austria and some of the countries of the Danube Region.

2.2.5 Danube Ecosystem. Biodiversity and Hazard Potential²

The Danube and its tributaries form an impressive ecosystem composed of the main river, its tributaries, and other bodies of water, channels, riparian forests, wet grasslands, sandbanks and the delta. The Danube basin covers 801,433 km², i.e. roughly 8% of Europe's total surface. Thus the Danube basin is the second-largest river basin in Europe. It is home to over 2,000 plant species, over 5,000 animal species and numerous ecosystems, and is of special significance for ensuring biodiversity.

The Danube and its tributaries have generally become cleaner in recent decades, although they are still highly polluted at certain points. The main problem is an excessive discharge of nitrogen, mainly from agricultural fertilisers or insufficiently treated local sewerage systems. Organic pollution caused by waste water from private homes and industries results in major fluctuations in the oxygen balance of waters and can thus destroy the living conditions of animal and plant species for years to come.

The flood disaster of 2006 affected the upper (Germany, Austria), middle (Slovakia, Hungary, Serbia, Croatia) and lower reaches (Romania, Bulgaria, Moldova) of the Danube. The floods cost ten lives, made 30,000 people temporarily homeless and caused damages amounting to half a billion euro. Alongside extraordinarily high amounts of precipitation, the disaster was not least due to the loss of flood retention areas.

² Source: Website of the International Commission for the Protection of the Danube River (ICPDR)

The following aspects are of special importance among these trends:

- In the Danube Region many habitats are endangered by human intervention (building and land development, pollution, introduction of non-indigenous animal and plant species, drainage of wet grasslands).
- Harmful and toxic substances in industrial waste water (such as discharges from chemical, paper, food industries) have significant hazard potential to the Danube river.
- Industrial production, power generation and mining account for 31-42% of the GDP of the Danube countries and provide employment to 29-50% of their economically active populations. These sectors use 5.7 billion m³ of water from the Danube river system per annum. In many countries these sectors are in the midst of major transformation, which needs to be guided and controlled not least in the light of their environmental impact.

Figure 4. Danube river basin: relief and topography



Source: <http://www.icpdr.org>

2.2.6 Transport and Inland Navigation

The Danube and its tributaries are traditionally important trade routes in the area. From Kelheim in Germany to Sulina in the river's Romanian delta the navigable length of the Danube totals 2,414 km serving 78 harbours.

Roughly 49 million tons of freight were transported on the Danube river in 2007. Romania accounted for the largest quantity (25.6 million tons) in 2007, followed by Serbia (16.7 million tons) and Austria (12.1 million tons). With imports totalling 6.3 million tons, Austria was the largest importer among the Danube countries, followed by Serbia (4.7 million tons of goods imported). Within the entire Austrian territory total transport volumes were slightly declining in 2008 compared with the record numbers of 2007 (from 12.1 to 11.2 million tons).³

Modal split in the new Member States shows that road transport has clearly grown at the expense of rail and water transport. In the Austrian section of the Danube corridor, road transport is the most dominant mode with greatly rising transport volumes (increase of 157% to 81 million tons between 1994 and 2007). A closer look at all forms of transport also shows that traffic in the west of Austria involves much greater transport volumes than traffic at the country's eastern border. Especially transit has greatly risen in recent years and was roughly 3.5 times higher in 2007 than in 1994.

³ http://www.via-donau.org/uploads/brochures_downloads/Jahresbericht_Schiffahrt_08_Deutsch.pdf

Table 1. Modal split in goods transport in % (selected countries of the Danube Region)

	Road		Rail		Waterway	
	2000	2007	2000	2007	2000	2007
Austria	64.8	60.9	30.6	34.8	4.5	4.2
Bulgaria	52.3	70.0	45.2	25.1	2.6	4.8
Germany	65.3	65.7	19.2	21.9	15.5	12.4
Croatia		74.0		25.2		0.8
Hungary	68.1	74.4	28.8	21.0	3.1	4.6
Romania	42.9	71.3	49.1	18.9	7.9	9.8
Slovakia	53.0	71.8	41.7	25.5	5.3	2.7
European Union	73.7	76.5	19.7	17.9	6.6	5.6

Source: Eurostat

The following aspects require special attention regarding transport along the Danube corridor.

- Currently 1,100 commercial ships are registered to navigate the Danube, roughly ten times less than on the Rhine. Despite the inauguration of the Rhine-Main-Danube canal only a small part of the Danube's actual transport capacity is being used. Plus, traffic on the Danube has been roughly halved since 1980.⁴
- Political changes in South-East Europe have often resulted in insufficient public investment in rail and waterways transport, thus tipping the modal split even more in favour of road transport.
- The war in Yugoslavia in the 1990s and the ensuing disruptions have had sustainable repercussions on Danube navigation. Not only have they caused profits to fall and operations to go bankrupt, but have contained urgently needed infrastructure investments for this mode of transport as well.⁵

⁴ PM Group (2007): Danube Serbia-Building a European Gateway-Challenges and Opportunities, p. 24; on behalf of the European Agency for Reconstruction

⁵ Schwetz Otto (2007): Facts and Perspectives of European Inland Waterway Transport – Focus on the Danube River Basin

3 Selected Transnational Institutions and Initiatives in the Danube Region

The Austrian government, its Länder and local communities are active in a great variety of functions and roles in the Danube Region. Supported by the fall of the Iron Curtain, the countries of the Danube Region represent a "natural" social, economic and cultural focus for Austrian activities abroad.

3.1 Involvement in Relevant Transnational Institutions

Austria and/or its Länder are involved in a number of supraregional/international institutions which are of relevance to the Danube Region. Austrian stakeholders are coordinators, members, project sponsors, etc. within this setting. The selected examples include:

- The **International Commission for the Protection of the Danube River** (ICPDR) has its secretariat and headquarter in Vienna and serves as a platform for coordinating the development and definition of a comprehensive management plan for the entire Danube river basin. In November 2000 all the contracting parties to the Danube River Protection Convention declared that they would implement the WFD in their territories and cooperate within the ICPDR to achieve a harmonised management plan for the Danube river basin to meet the needs of the entire catchment area. For countries having surfaces of less than 2,000 km² located in the Danube river basin the ICPDR tries to find appropriate solutions for bilateral coordination.
- The **Transboundary Water Commissions** serve to foster water management cooperation with neighbouring countries. So-called "water treaties" set out the relations between countries as regards water resource management. Work proper is done in bilateral or multilateral transboundary water commissions, as well as by local water management authorities. Water management cooperation also includes flood protection, improving agricultural usability of land and water quality.
- Seated in Budapest, the **Danube Commission** was created to monitor the application of the Belgrade Convention of 1948. This Convention is an international legal instrument governing navigation on the Danube. It aims to ensure free navigation on the Danube in accordance with the interests and sovereign rights of the Danubian States. Currently 11 countries are state parties to the Convention⁶. The Danube Commission also fulfils various other tasks aimed at ensuring adequate technical and legal conditions for navigation on the Danube.
- **ViaDonau** is an undertaking established by the Austrian BMVIT. Its mandate is to foster inland waterways transport on the Danube and the use of transport telematics at European and national levels.
- **The Danube** is the name adopted by the international **Danube Tourist Commission** where Germany, Austria, Slovakia, Hungary, Croatia, Romania and Serbia have cooperated since 1970 to promote and market tourism along the entire Danube river region.
- The **Länder Upper Austria, Lower Austria, Vienna and Burgenland** are the Austrian members of the **Working Community of the Danube Regions** (ARGE Donauländer), which was founded in 1990 in Lower Austria and includes almost all riparian regions of the Danube river from Baden-Württemberg to the district of Odessa. This working community aims to further the development of the Danube Region through cooperation and coordination in various fields (culture, environmental protection, spatial planning, transport). Chairmanship will change from Upper Austria to Vienna for 2010 and 2011. Already the final declaration adopted by the conference of heads of government in June 2009 in Linz includes a position on the future of the Danube Region.
- Composed of Italian, Austrian and Hungarian regions (i.e. provinces, Länder and comitats), as well as Croatia and Slovenia, the **Alps Adriatic Working Community**, is another established form of cooperation addressing spatial issues.
- **SECI (South-East European Cooperation Initiative)** was founded in 1996 in Geneva. Its original aim was to address the economic and political destabilisation in the wake of the armed conflicts in former Yugoslavia. The scope of its programme, as far as geography and contents are concerned, has been widened in due course to support the Danube countries in efforts to cooperate in areas such as infrastructure, navigation, culture, etc., in the framework of the Danube Cooperation Process. The SECI Secretariat is located at the OSCE headquarters in Vienna.

⁶ Bulgaria, Germany, Croatia, Moldova, Austria, Romania, Russia, Serbia, Slovakia, Ukraine, Hungary

- **IAWD – International Association of Waterworks in the Danube Catchment Area** was founded by the City of Vienna in 1958. Its objective is to ensure sustainable drinking water supply in the Danube Region.
- The **Council of Danube Cities and Regions** was founded in June 2009. It has been launched primarily to help create an integrated Danube area as intended by the planned EU Strategy for Danube Region. The City of Vienna is represented in the Presidium of the Council. At a meeting of the Council's Presidium on 3 November 2009 in Vienna a declaration was adopted on the EU Strategy for the Danube Region and on the Council's future active role in developing and implementing this strategy. Moreover, close cooperation has been agreed in a joint declaration with the Working Community of the Danube Regions.
- **The Institute for the Danube Region and Central Europe (IDM)** is a research entity working for over 50 years on issues of the Danube Region. It sees itself as an interface, mediator and lobbyist for the Danube Region and contributes towards cooperation in science, culture, politics, business, industry and administration.

In addition, the four Austrian Länder referred to above operate a number of entities which are internationally active in the Danube Region, also in the context of cross-border and transnational EU programmes.

3.2 Participation in Transnational Cooperation Projects in the Danube Region

Public involvement is supplemented by an impressive participation of semi-public and private actors in the Danube Region. This is illustrated by Austrian participation in transnational projects. Based on available online information, we have been able to identify 141 projects under which Austrian stakeholders have been participating in CADSES 2000-2006, South East Europe 2007-2013, CENTRAL 2007-2013, INTERREG IIIC 2000-2006 transnational programmes.⁷

- 34 Austrian institutions were lead partners in these projects, with multiple entries (one and the same institution is lead partner in several projects) not being taken into account.
- 238 Austrian institutions were project partners in these projects, with multiple entries (one and the same institution is project partner in several projects) not being taken into account.
- 15 Austrian institutions were observers in these projects, with multiple entries (one and the same institution is observer in several projects) not being taken into account.

If broken down by the status of participating lead partners, project partners and observers, the situation is as follows:

- 24 of them can be termed national authorities (ministries and public institutions operating nation-wide – such as the Association of Austrian Cities and Towns).
- 70 of the participants can be called regional authorities, whereof 12 are local authorities (communities). The City of Vienna has been considered a regional authority in this context.
- 32 of the participants can be allocated to the category of research entities (universities, FHs, research institutions), and
- 149 are other partners. They include economic development agencies, national parks, environment agencies, companies, etc.

Assessment of the implemented projects' relevance and outcome for the EU Danube Strategy is based on the three strategic pillars of the European Commission (cf. item 5.2) and the contents to be expected for them: (1) environment – water quality, biodiversity, risk prevention and management, (2) connectivity – transport and energy, (3) socio-economic integration – economic development, education and culture. This gives the following picture:

- 41 projects and their outcomes are of great relevance to the Danube Region. They can either be allocated directly to the European Commission's priority action areas, or their results are of relevance to the Danube Region or can be used as a blueprint for the Danube Region.
- 53 projects or their results have some partial impact on the Danube Region.
- According to the description of the project contents and the results obtained, 47 projects have little effect on the Danube Region or are outside the EC's provisional priorities.

⁷ The project database of INTERREG IVC only indicates the lead partners of current projects. They do not include any Austrian institutions. Austrian participants are currently involved in 9 ongoing projects under INTERREG IVC.

4 Elements of an EU Strategy for the Danube Region

4.1 Methodology

The authors agree with the EC's assessment that a Danube Region Strategy will only make sense if it goes beyond declarations and provides (short-term) tangible results. However, transnational cooperation in the Danube Region's public sector is still very young and only in a few sectors sufficiently developed. The idea of a "tangible result" probably needs to be a broader concept than in the Baltic Sea Region. Also the fact that almost half of the Danube countries are not members of the European Union has to be taken into account when selecting projects. Under such circumstances "tangible" results could also mean the identification of transnational projects, the establishment of durable, productive networks and the preparatory work required for this purpose, as well as effective prioritisation of investments at the macro-regional level.

The methodology adopted for designing this Danube Region Strategy will largely follow the EUSBSR blueprint, i.e. it will involve a Communication by the EC on the principles and processes of implementation (governance part/strategy processes) and an appropriate Action Plan. The Action Plan will follow the logic of other EU programmes, the only difference being that the projects and project ideas are already set out in this Action Plan.

The EUSBSR Action Plan includes

- 15 priority areas within 4 pillars
- 10 horizontal actions
- and within these 25 action areas roughly 180 projects in total.

If we assume a similar number of projects for the Danube Region Strategy, special importance must be attributed to the definition of criteria for the selection of projects/project ideas. The Austrian Länder agree with the EC's assessment grid according to which the following criteria are to be used in the selection process:

- Transnational relevance (European benefit)
- Market failure/policy failure test
- Significance for the Danube macro-region (indispensable in a strategy for the macro-region)
- Sufficient public interest and adequate stakeholder participation
- Project maturity.

4.2 Pillars of the Strategy

The EC indicated that it would consider the following three strategy pillars to be specific for the Danube Region:

- "Environment" featuring the key words water quality, biodiversity, risk prevention and management,
- "Connectivity" in transport, energy and information technology,
- "Socio-economic integration".

The first two pillars appear to be sectoral rather than integration-based. The third pillar refers to a broad-based inter-sectoral approach. The four Austrian Länder mentioned above therefore propose to extend the strategy by two more pillars to meet the requirement of a comprehensive transnational cooperation fostering integration. This would improve the balance between pillars in terms of their actions-based weight and design. The additional two pillars would be better suited to map the spatial and political characteristics of the Danube Region and the intended macro-regional cooperation:

- Prosperity and security for all citizens,
- Cooperation of cities and regions to promote innovation and improve European governance

These two pillars also signal the strategy's direct reference to the citizens and to issues of governance.

4.3 Priority Areas

The priority areas assigned to the individual pillars will be of key importance in the implementation of the EU Danube Region Strategy. These areas of action show what actually has priority at transnational level and how the macro-regional cooperation priorities need to be established by the participating entities at all levels.

The Austrian Länder Burgenland, Lower Austria, Upper Austria and Vienna have thus jointly identified several priority areas for each pillar, which should have precedence within an EU Strategy for the Danube Region.

These priority areas can be derived from an analysis of the structure and development dynamics of the Danube Region, and they provide clear macro-regional and thus European value-added.

The following sections present and briefly describe the priority areas broken down by the five strategy pillars. This description only outlines the objective of the relevant action area and should provide the starting point for a more detailed analysis and for a definition of appropriate (key) projects.

4.3.1 Strategy Pillar “Environment and Risk Prevention”

4.3.1.1 Further improve transnational water and resource management

Water is one of the most precious resources and also the most powerful link in the Danube Region. This is why transnational cooperation is most advanced in this field. Since the signing of the Danube River Protection Convention in 1994 in Sofia, an effective macro-regional coordination of water management has been in place in the Danube Region.

Although the exposure of rivers and other surface waters to pollutants from industrial wastewater and domestic sewage, as well as to nutrients, has been substantially reduced since the mid-1990s, the pollution abatement objectives are far from being attained. This also applies to other resources (groundwater, soil).

The Austrian Länder’s broad experience with decentralised initiatives for the sustainable and effective management of water and other resources (for instance climate and soil alliances between local communities) could be of great assistance to accelerating the implementation of necessary investments (no matter whether already in the pipeline or not).

4.3.1.2 Effectively protect and realise the development potential of ecologically valuable areas

The Danube and its tributaries are particularly rich in valuable, near-natural sites of varying conservation categories. The participating Austrian Länder alone boast three national parks, two of them extending across borders. All these sites need to be safeguarded and further developed. This signifies that enhanced networking, management measures and soft tourism are required to maintain biodiversity and the use of these sites as natural compensation. There is great interest in cooperation and exchange of experience at all levels (supranational institutions such as UNESCO, responsible ministries, regions, cities, towns, international NGOs, sites, park operators, etc.) concerning issues of sustainable environmental development.

4.3.1.3 Ensure cooperative risk management

Many regions throughout the Danube Region are subject to high flood risks, as was illustrated by the disastrous events in 2006. They have also highlighted the need to upgrade warning systems and coordinate civil protection from local to transnational levels. The corresponding measures of risk management and preventive damage control, also in the context of climate change, must be enhanced and widened to include the entire hydrological basin of the Danube river.

Also other risks (such as SEVESO II, extreme weather events, rockfall, landslides) should be included in risk management cooperation.

4.3.1.4 Ensure sustainable agriculture

Socio-economic trends in agro-industry, as well as the consequences of climate change – temperature rise and variation, precipitation, etc. –, will step up pressure (for change) on agriculture in the Danube Region in the forthcoming years. For Austria, maintaining sustainability in agriculture is of great priority and goes far beyond the agricultural sector. It determines the ecological condition of rivers and soil, influences the benefits derived by other sectors and characterises the landscape setting and its vital importance for tourism. Hence this pillar addresses four key policy areas, i.e. Common Agricultural Policy (CAP), environmental policy, as well as rural and regional development, which may all benefit from cooperation at the macro-regional level.

4.3.2 Strategy Pillar “Connectivity”

4.3.2.1 Improve rail passenger and freight service connections

Transport infrastructure in large parts of the Danube Region is in urgent need of upgrading and extension to provide a holistic, sustainable and intelligent transport system. This is particularly true of rail transport. Out of the seven metropolises along the Danube, only four have modern, efficient and international rail connections. In addition to upgrading the infrastructure – with the priority projects TEN-T 17 (Paris – Vienna – Bratislava), 22 (Athens – Sofia – Budapest – Vienna – Prague – Dresden) and 23 (Gdansk – Vienna) taking the lead – it will also be indispensable for economic and ecological reasons to improve transnational passenger and freight transport services.

Priority TEN-T connections such as a Baltic-Adriatic Sea corridor that link the Danube Region with the Upper Adriatic ports are currently missing and would have to be developed.

4.3.2.2 Sustainable development and efficient use of the Danube waterway to manage freight transport in the macro-region

Extending across more than 2,400 km and providing a link to both the Black Sea ports and – via the Main-Danube Canal – to the North Sea ports, the Danube waterway is an efficient and far from fully exploited infrastructure for freight transport in the Danube Region. This is why the Trans-European Transport Networks list Corridor VII (Danube waterway) among its priority projects. TEN-T project 18 (Rotterdam – Constantia) needs to be implemented expeditiously and supplemented by appropriate accompanying measures for operation. Austrian institutions have already been actively involved in these projects. The basis for any development policies for the Danube waterway must be the Joint Statement⁸.

The macro-regional level is also best suited for implementing the Integrated European Action Programme for inland waterways transport NAIADES.

4.3.2.3 Ensure sustainable energy supply

The Danube Region, too, must respond to climate change and switch over to sustainable energy production and use. Investments in renewable energy (wind power, geothermal energy, biomass, solar energy, hydropower), and in more efficient energy use, also offer great opportunities for economic development in the region.

Moreover, coordinated efforts to upgrade power grids (electricity/gas/oil) throughout the Danube corridor should be accelerated to achieve security of energy supply in the entire region.

4.3.3 Strategy Pillar “Socio-Economic Integration”

4.3.3.1 Intensify economic integration within the macro-region

The level of economic development in the Danube Region shows a persistently strong NW-SE divide. The current economic crisis threatens to slow down the catching-up process of the new Member States and accession candidates. In this situation it is necessary to (re-)integrate the countries of the Danube macro-region not only with the advanced economies of Western Europe but also, and more than before, among each other. Bilateral trade within the region is still lagging far behind levels achieved in Western and Northern Europe. There is a need to develop more cooperation networks between companies and facilitate access to these networks throughout the macro-region.

A major contribution to enhanced economic integration would be to consistently upgrade information technology to help establish a "virtual" Danube Region.

4.3.3.2 Ensure not only an open but also a sensibly and cooperatively regulated labour market

Regional labour markets in the Danube macro-region are already under great pressure. Especially the disadvantaged groups of the economically active population are being increasingly marginalised by (long-distance) commuting, insufficient options for further education and technology-based structural change in many

⁸ “Joint statement on guiding principles for the development of inland navigation and environmental protection in the Danube River Basin”, signed by Danube Commission, ICPDR and International Sava River Basin Commission

parts of the macro-region. The expiry of transitional arrangements governing new Member States' access to the labour markets of other Member States will result in a fully-integrated labour market for almost the entire Danube Region in 2011. Appropriate guidance and compensatory mechanisms need to be created for this purpose, which are only promising if created at the macro-regional level. At the same time the currently substantial brain drain from some Danube countries to Western Europe (and the United States) will continue to rise.

4.3.3.3 Protect, develop and benefit from cultural diversity and cultural heritage

Unlike almost no other macro-region, the Danube Region boasts an enormous range of cultural diversity. We see an often close coexistence of the heritage of half a dozen historically dominant political powers and of three major world religions. In the past, this cultural heterogeneity was frequently interpreted as a source of political conflict; however, the Danube Region is as much an example of strife, as much (or even more so) it is an example of peaceful and highly productive coexistence of different cultural and ethnic groups. This latter tradition needs to be continued to ensure and develop the cultural diversity for 21st century Europe.

Rooted in the history of the Danube Region with all its manifestations and wealth of tradition and architecture, the cultural heritage is endangered in numerous parts of the region. There is an urgent need for the Danube Region to rescue, restore and thus maintain its heritage through cooperation, exchange of knowledge and experience.

4.3.3.4 Promote the integration of migrants

Issues of demographic change (population ageing) are similar in all countries of the Danube Region. But there are major differences in migration patterns: whereas many large and medium-sized cities are centres of international and national immigration, there are other places which suffer from an increasing exodus of their inhabitants. Irrespective of the above, the consequences of migration movements in all these regions are among the greatest policy challenges of our times. They revolve around issues of how to integrate these migrants and ensure tolerance and peaceful coexistence in the places where they live.

Cooperation between the regions of destination and origin, both frequently located in the Danube macro-region, and exchange of experience about migration policies would be of great assistance.

4.3.4 Strategy Pillar “Prosperity and Security for all Citizens”

4.3.4.1 Secure and improve urban and regional quality of life

Prosperity and social inclusion are still unevenly distributed in the Danube Region and at risk of becoming even more unevenly distributed. This is also true of large and medium-sized cities. Convergence of economic development alone - as important and difficult as this may be in the wake of the current economic crisis - will not suffice to achieve any substantial improvement in the cities' and regions' quality of life. For this purpose we also need well-functioning public services of general interest, such as access to cultural, social, education and health services for all citizens. It will also be necessary to take effective measures against social exclusion, no matter whether they are driven by economic or other considerations.

Essential aspects of a place's quality of life are efforts to encourage regional and urban identities and create an attractive environment for cities and smaller communities, for instance through sustainable urban and rural renewal programmes.

4.3.4.2 Intensify cooperation in education, training and the creative sector

A precondition for making positive use of cultural diversity is to intensify the exchange at all levels and in all fields. This applies in particular to education and training, as well as to the various fields of art and creative industries. Efforts need to be directed towards supplementing the West-East orientation, so prevalent in many countries, by orientation to the Danube Region itself.

4.3.4.3 Promote research cooperation and innovation

The density of universities and other research institutions in the Danube Region is high. Many of them are among the best in Europe, while many others are fraught with - mainly financial - problems. Research in some places cannot attain global levels and fails to make full use of the European Research Area. Enhanced cooperation and networking between universities and research entities within the Danube Region are expected to

be of clear benefit to the comprehensive and accelerated implementation of the European Research Area and should be further promoted.

In addition, the initiation and implementation of research cooperation projects in all conceivable fields of science will also help to raise people's readiness and ability to introduce technical and social innovation in the Danube Region.

4.3.4.4 Unlock the tourist potential of cities and regions

The Danube and its tributaries link places of outstanding cultural heritage and unique landscapes. The tourist potential inherent in such places can be tapped and developed most effectively through cooperation between the villages, towns, cities and regions concerned. Owing to their special location and wide experience in this field, Austrian cities and regions can provide major input.

4.3.5 Strategy Pillar “Cooperation of Cities and Regions to Promote Innovation and Improve European Governance”

4.3.5.1 Better use of urban and regional potential to optimise governance

There is a need at all administrative levels of the Danube Region to improve the implementation of European policies, which in fact is also one of the objectives of the EU's Danube Strategy. The cities and regions play a key role when it comes to implementing many of these policies, which is why they are particularly affected by the quality of implementation. Examples would be: administrative reform (New Public Management), transparency, e-government, cohesion policies, labour market policies and social inclusion, environmental and sustainability policies, nature conservation policies, SME policies (Small Business Act) and many more.

In many cases, macro-regional cooperation is an excellent means of encouraging institutional learning and enhancing administrative efficiency. Transnational cooperation also helps to achieve synergies in the use of different funding instruments for infrastructure investments.

To fully tap this potential, it will be necessary to ensure sufficient involvement of the cities and regions in the development and implementation of an EU Strategy for the Danube Region.

4.3.5.2 Enhance cooperation to develop sites around multimodal transport nodes

Functional urban regions and specialised locations are the engines of economic development in the Danube macro-region. Full use of this potential requires the targeted and effective development of top-level sites boasting good basic conditions, such as multimodal, well-functioning international and intraregional connections. Only targeted and transnationally agreed locational development will enable the Danube Region to become a competitive Global Economic Integration Zone (GEIZ) on European Scale. Transnational cooperation of the cities and regions concerned could bring much added value to the entire macro-region.

Especially the Danube ports should be upgraded to become trimodal logistics centres suited to encourage regional economic development. A good point of departure would be cooperations among ports, such as the ones which already exist in some parts of the region and which could be further intensified.

4.3.5.3 Innovative and sustainable regional and urban development

Almost all regions and cities of the Danube macro-region are facing grave challenges to their further development. The growing interlinkage within urban-type spaces, between urban and rural spaces, but also between cities and regions within a macro-regional context (as defined by the European Spatial Development Perspective's approach of adopting polycentric spatial development strategies), require new forms of cooperation between individual levels and across administrative borders. The nature and source of such challenges vary greatly not only at the level of the regions, but also at the level of cities and towns (size, dynamics, political-administrative or socio-economic structure, etc.); what they have in common is the need for innovative and sustainable solutions. This applies to urban and housing development, where matters such as climate change mitigation and social aspects also play a major role and have repercussions on services of general interest (childcare, health, social services, etc.). Also concepts and measures to ensure sustainable mobility are of special importance in regional and urban development contexts.

Existing urban and regional networks in the Danube macro-region may help to greatly accelerate the dissemination of innovations and enhance problem resolution capabilities.

4.3.5.4 Increased use of environmentally-friendly technologies in urban and regional development

A particularly effective means of promoting innovative urban and regional development is the use of environmentally-friendly technologies. Their dissemination and further development will help to improve the productive capacity of cities and regions, while also protecting the environment and creating new jobs. Many experiences and innovative solutions can be found in water management, waste and sewage management, energy services aimed at SMEs and the household sector, but also in the technical monitoring of local services, in communication technologies and sustainable energy generation. In urban spaces this should be supplemented by transport technologies, such as those used in public transport and traffic management systems, as well as energy-efficient solutions in social housing and urban renewal.

Intensifying the exchange of know-how about environmentally-friendly technologies, in particular between cities and regions, as well as taking measures for their implementation may greatly help to transpose an EU Strategy for the Danube Region.

4.4 Summary

The below Figure 5 summarises the priority areas within the related strategy pillars.

Figure 5. An overview of strategy pillars and priority areas

Environment, Risk Prevention	Connectivity	Socio-economic Integration	Prosperity and Security for all Citizens	Cooperation of Cities and Regions to Promote Innovation and Improve European Governance
Further improvement of the trans-national water and resource management	Improvement of rail connections for passenger and freight traffic	Intensification of the economic integration within the macro-region	Securing and improving urban and regional quality of life	Better use of urban and regional potentials for optimising governance
Effective protection and use of ecologically valuable areas to its full potential	Sustainable development and efficient use of the Danube waterway to cope with freight transport in the Macro-Region	Ensure not only an open but also a sensibly and cooperatively regulated labour market	Intensification of the cooperation within education, training and the creative sector	Location development at multimodal transport nodes
Ensure a cooperative risk management	Ensure sustainable energy supply	Protect, develop and make use of cultural diversity and cultural heritage	Promotion of research cooperation and innovation	Innovative and sustainable regional- and urban development
Ensure sustainable agriculture		Promote the integration of migrants	Unlock the potential of the Cities and Regions for tourism	Increased use of ecological-friendly technologies within urban and regional development