COMMUNICATION FROM THE EUROPEAN COMMISSION

concerning the

European Union Strategy for the Danube Region

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1. INTRODUCTION

The Danube Region, from southern Germany to the Black Sea and from Montenegro to the Czech Republic, has changed dramatically. Most recently, there have been the 2004 and 2007 waves of EU enlargement. The world's most international river basin has become predominantly a European Union (EU) space. We have new opportunities to address the challenges and potential of the Region. We can improve environmental management, and economic and social development. We can modernise security, and transport corridors including navigation. The Danube can open the EU to the world, both its near neighbours and Asia. We therefore need to make the most of major EU policy initiatives, especially Europe 2020 that can strengthen the region's ability to fulfil its potential.

The Danube Region can be characterised as a functional area defined by the river basin. Cooperation mechanisms such as the Danube Commission and the International Commission for the Protection of the Danube River address specific features or challenges. The Strategy widens this approach to address the most significant challenges in an integrated way. It concerns primarily the following countries or regions (which fall within the hydrological basin of the Danube): Germany (especially Baden-Württemberg and Bavaria), Austria, the Slovak Republic, the Czech Republic, Hungary, Slovenia, Romania and Bulgaria as Member States of the EU, and Croatia, Serbia, Bosnia and Herzegovina, Montenegro, the Republic of Moldova and Ukraine (the regions along the Danube) as non Member States. Since the Danube flows into the Black Sea, the Strategy should be coherent with Black Sea perspectives and policies. With over 100 million people, and a fifth of EU area, the Region is vital for Europe.

The Danube Region can connect people, their ideas and their needs by modernising road, rail and waterway interconnections, but also by improving informatics access. Energy will be cheaper and more secure, thanks to better links and alternative sources. We can balance development with imaginative conservation of the environment, and working together to minimise floods. We can build on the considerable research and innovation perspectives of the region to propel it to the forefront of EU trade and enterprise. We can make it a safe and secure area for its people, where conflict, marginalisation and crime are largely stories from the past. We can do all this following the approach proposed in this Strategy. But sectoral thinking (e.g. transport issues alone) is no longer adequate.

That is why the European Council requested the European Commission to prepare an EU Strategy for the Danube Region. This follows the welcome for the EU Strategy for the Baltic Sea Region, now being implemented. The Danube request, based on the Baltic experience, underlines an integrated approach to sustainable development.

We therefore propose a sustainable cooperation framework in which everyone can agree on this common vision for the future, and implement concrete actions together. We must build on the existing cooperation mechanisms. We should go beyond this also, towards better alignment of policies and funding to improve impact on the ground, overcoming fragmentation. The European Commission, operating across all policy domains, can facilitate such an approach. The Commission therefore presents: (1) this Communication to the other EU Institutions, and (2) an accompanying Action Plan.

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1 The European Council formally asked the European Commission to coordinate an EU Strategy for the Danube Region, stating in its conclusions of 19 June 2009: "Sustainable development should also be pursued through an integrated approach to the specific challenges facing particular regions (...). It (...) invites the Commission to present an EU strategy for the Danube region before the end of 2010."
Within ten years no one in the Danube basin should have to leave their home region in order to enjoy the prospect of higher education, employment, and growing prosperity. Within a decade the Strategy should have helped to make this a truly competitive region, and one of the most attractive in Europe for investors, with stronger transport links and a well-protected environment, secure and confident in the face of new challenges, including climate change and organised crime.

2. **CHALLENGES AND OPPORTUNITIES**

These proposals result from extensive consultation of stakeholders. Governments have been involved through ‘National Contact Points’. The expertise of relevant Commission services and the European Investment Bank has been mobilised. Stakeholders were consulted on-line, and via five major conferences. The main messages were: (1) the Strategy is a welcome initiative to reinforce the integration of the Region in the EU; (2) Member States and Third Countries commit themselves to the Strategy at the highest political level; (3) the Commission is key in facilitating the process; (4) the Strategy must deliver visible, concrete improvements for the Region and its people.

2.1. **Challenges**

Historically, the Danube Region has been particularly affected by turbulent events, with more than its share of conflicts, movements of population and undemocratic regimes. However, the fall of the Iron Curtain and EU enlargement point to a better future.

Specifically:

- **Mobility**: the Danube River itself is a major TEN-T Corridor. However, it is used way below its full capacity. Freight transported on the Danube is only 10%-20% of that on the Rhine. As inland waterway transport has important environmental and efficiency benefits\(^2\). We must better exploit its potential. Other transport modes must be more efficient and inter-connected. There is too little multi-modality.

- **Energy**: prices are high in the Region, relative to world and European prices. Fragmented markets lead to higher transmission costs and reduced competition, raising prices. Reliance on one or very few external suppliers increases vulnerability, as periodic winter crises testify. A greater diversity of supply through more interconnections will therefore increase energy security. Improved energy efficiency and more renewable energy sources are crucial for the Region.

- **Environment**: the Danube Region is a major international hydrological basin. This requires a regional approach to water management. Pollution does not respect national borders. Major problems such as untreated sewage and fertiliser run-off make the Danube a highly polluted river. We must also consider the environmental impact of transport links, tourist developments, or new energy-producing facilities.

- **Risks**: major, even catastrophic flooding and industrial pollution events are all too frequent. Prevention and effective reaction require a high degree of cooperation and information sharing. Awareness of, and the capacity to prevent or manage, risks must improve.

\(^2\) see : COM(2006) 6 final - Communication from the Commission on the promotion of inland waterway transport
- **Socio-economic**: the Region has very wide disparities. It has some of the most successful but also the poorest regions in the EU. In particular, contacts and cooperation are often lacking, both financially and institutionally. Enterprises do not take enough advantage from the international dimension of business cooperation and research. Cross-border innovation possibilities are under-exploited. Goods and service providers often do not establish operations across borders. The share of highly educated people in the Danube Region is lower compared to the EU27 average, again with a pronounced divide. The best often leave.

- **Organised crime and security**: significant problems persist. People trafficking and smuggling of goods are particular problems. Corruption undermines public confidence and hampers development.

We must address these challenges better together. Together, we must identify the priorities, agree on actions to be taken and cooperate in their implementation. For example, developers and conservationists must find innovative solutions together. We must resolve the most difficult issues to the benefit of the whole region.

2.2. **Opportunities**

The Danube Region also has many opportunities. It has many areas of outstanding natural beauty. It has a rich history, heritage and culture. There is immense development potential, especially in the countries most affected by the transitions since 1989. There are creative ideas, and a quality labour force. For example, the Region

- is where Europe opens to the east. We must develop further these transport and trade links.
- has a solid education system, with many universities. However, quality is variable. Some are focused on maximising numbers of students taught at the expense of excellence. We must make education and training relevant to labour market needs. We must also promote exchanges and student mobility within the Region.
- possesses a striking cultural, ethnic and natural diversity. This is of great interest to visitors. We must develop the tourism offer and infrastructure, so that guest and host can profit.
- can better exploit renewable energy sources, whether water, wind or thermal. There is also great scope for better energy efficiency, especially modernising buildings and logistics.
- is characterised by rich environmental assets: exceptional fauna and flora, precious water resources and outstanding and diverse landscapes (e.g. the Danube Delta, the Carpathians). These should be preserved and restored for good quality of life and sustainable development.

Making the most of these opportunities also requires increased cooperation. We must plan and invest together, developing the crucial links.
3. **RESPONSE: AN ACTION PLAN**

An integrated approach is therefore at the heart of the Strategy. We particularly emphasise: better connections for mobility and accessibility and energy; action together on environment and risk management; cooperation on security. We also can benefit from common work on innovation, tourism, information society, institutional capacity and marginalised communities.

We must also move from words to action. The Strategy proposes an Action Plan, to which the countries and stakeholders need to commit themselves. We will regularly review progress. As a result, the actions and projects will be updated, transformed or replaced as they are completed. The Strategy is open-ended. The Plan is a ‘rolling’ Action Plan. We will work as long as it takes to make the Region at the forefront of 21st century Europe.

However, the Action Plan also emphasises the importance of integrated work. Each policy field will bring benefit to the whole area which will benefit from a place-based approach. Good links between urban and rural areas, fair access to infrastructures and services, and comparable living conditions will promote Territorial Cohesion, now an explicit objective of the European Union.

The consultation identified a very wide range of proposals for action. The Commission, in partnership with Member States, regions and other stakeholders has selected those which:

1. Demonstrate immediate and visible benefits for the people of the Region.
2. Have an impact on the macro-region (or a significant part of it). Projects should therefore cover several regions and countries.
3. Are realistic that is technically feasible and with a credible source of funding, if needed.

The projects presented in the Action Plan are examples of the initiatives that need to be fostered or promoted. Many more projects have been proposed – the Action Plan is an indicative framework which will evolve as the region progresses.

Selected actions are focused in four Pillars which address the major issues of the Region. Each pillar comprises Priority Areas, distinct fields of action which will be co-ordinated by a Member State or Region. The pillars and priority areas are:

- **A) Connecting the Danube Region**
  1) To improve mobility and intermodality
     1a) Road, rail and air links
     1b) Inland Waterways
  2) To encourage more sustainable energy
  3) To promote culture and tourism, people to people contacts

- **B) Protecting the environment in the Danube Region**
  4) To restore and maintain the quality of waters
  5) To manage environmental risks
  6) To preserve biodiversity, landscapes and the quality of air and soils
C) Building Prosperity in the Danube Region
7) To develop the knowledge society through research, education and information technologies
8) To support the competitiveness of enterprises
9) To invest in people and skills

D) Strengthening the Danube Region
10) To step up institutional capacity and cooperation
11) To work together to tackle security and organised crime

3.1. Connecting the Danube Region

Good connections are key for the Danube Region. No part of it should remain peripheral or a backwater, or be simply awkward to reach. Transport and energy infrastructures have many gaps and deficiencies, due to insufficient capacity, poor maintenance or the lack of essential infrastructure or interconnections. In addition, the region needs better connections among people, especially through culture and tourism.

Effective improvements need coordinated planning, funding and implementation. Market failures, due to externalities, are strikingly evident in the lack of investments across borders or in awareness of the international context. It is particularly important to identify and implement the largest projects in the most efficient way, with shared costs and benefits. The more users, the more efficient investments become, with significant economies of scale.

**Main issues**

**Transport**

The river basin has great potential for inland navigation. This needs improvements in intermodality, management, equipment and availability of qualified staff. The physical capacity of the Danube and its tributaries should be improved. The ports, fleet, logistics and navigation technologies should be fully modernised. Better training and career opportunities will help overcome a shortage of younger personnel (captains, navigators etc.).

For roads and railways, infrastructure is often inefficient or simply missing, especially cross-border connections.

**Energy**

Periodic crises highlight the Region's particular vulnerability. The infrastructure, market organisation, energy efficiency, and use of renewables are all weak compared with the rest of the Union. Plugging gaps in the infrastructure networks, especially in terms of interconnectors, by reinforcing the TEN-E network and implementing the Energy Recovery Plan using the Structural Funds in a coordinated manner is essential. We need to reinforce exchanges of experiences and practices, especially for eco-innovations.
Culture and Tourism

The entire Region, offering common history and tradition, is a potentially powerful asset. Its natural areas span boundaries. The Danube Delta is a world heritage site offering sporting and other recreational options. A common approach to improving and publicising these opportunities can reach critical mass in support structures and services leading to the Danube Region becoming a European and world “brand”.

Targets could be:

1) *To improve mobility and intermodality*
   - By 2020 the Danube river should be navigable 300 days of the year;
   - Increase the cargo transport (tonnage) on the river by 20% by 2020 compared to 2010;
   - Railway connections between all capitals by 2030 (with a speed of 120 km/h).

2) *To encourage more sustainable energy*
   - Climate change:
     - Reduce greenhouse gas emissions by 20% compared to 1990;
     - Increase the share of renewables in energy consumption to 20% compared to 1990;
     - Move towards a 20% increase in energy efficiency compared to 1990.

3) *To promote culture and tourism, people to people contacts*
   - By 2020 increase tourists from outside the region by 50% compared to 2010;
   - Increase cruise tourism on the Danube by 50% by 2020 compared to 2010.

3.2. Protecting the environment in the Danube Region

Environmental resources are shared across borders and go beyond national interests. This is particularly true of the Danube River, its tributaries, and its mouth. It is also vital for the Region's mountainous areas such as the Carpathians, the Balkans and part of the Alps. The Region also has a rich and unique flora and fauna, aquatic and terrestrial, including most of the few places in Europe home to pelicans, wolves, bears and lynx. These are under growing pressure from human activity. Cooperation is crucial otherwise good work in one place is quickly undone by neglect elsewhere.

Main issues

Water

The Region contains the most international river basin in the world, with many crucial rivers, lakes and ground water bodies for the environmental well-being of the area and its people. Ensuring satisfactory water quality as required by the Water Framework Directive, is crucial. Reducing pollution from organic, nutrient or hazardous substances can only be done by jointly defining actions and projects.

Floods

We must protect inhabitants of the Region from disastrous floods – most recently endured in 2010 – by preventive and management measures, agreed and implemented jointly. Work undertaken in isolation simply displaces the problem and puts neighbouring regions in
difficulty. Accidental events in the Region such as catastrophic industrial pollution also have transnational negative impacts.

Biodiversity

Loss of natural living spaces such as wetlands, natural meadows and forests puts pressure on fauna and flora and crucially affects overall European environmental health. We need to protect biodiversity by restoring and reconnecting habitats. We need to promote sustainable economic activities and develop better forest management across the region. Developing protected areas, such as NATURA 2000 zones or restoring ecosystems, is best achieved in a context that takes account of the ecology of the whole region.

Targets could be:

4) To restore and maintain the quality of waters
   - Reduce the nutrient levels in the Danube River by 20% in 2020 compared to 2010;
   - Reduce organic pollution (water waste) in the Danube river by 20% by 2020 compared to 2010;
   - By 2020 80% of dwellings in the Danube basin should be connected to a treatment system;
   - By 2020 80% if the Danube's waters should be of a quality suitable for swimming.

5) To manage environmental risks
   - Complete and adopt the Delta management Plan by 2013;
   - Reduce the flood risk area by 25% by 2020.

6) To preserve biodiversity, landscapes and the quality of air and soils
   - Increase the area covered by protected national parks by 20% by 2020 compared to 2010;
   - Increase diversity of fish species by 50%.

3.3. Building prosperity in the Danube Region

The Region encompasses the extremes of the EU in economic and social terms. From its most competitive to its poorest regions, from the most highly skilled to the least educated, and from the highest to the lowest standard of living, the differences are striking. The Strategy offers the opportunity to turn this diversity to strength, to match the capital-rich with the labour-rich, the technologically-advanced with the waiting markets. This will be through the principles of Europe 2020 and in particular the widening of the knowledge society and a determined application of inclusion. Marginalised communities (especially Roma, the majority of whom live in the Region in sub-standard conditions) in particular stand to benefit, and thus benefit the Region and the wider Union.

Main issues

Education & skills

We need to invest in people, so that the Danube Region can better progress and grow. We need to prioritise knowledge based and inclusive growth. Building on the success of parts of the Region will open access to further education in the Region, and modernise training and social support.
Research & Innovation

Targeted support for research infrastructure will stimulate excellence and deepen networking between knowledge providers, companies and policy-makers to the region must use national and regional funds better, and benefit fully from the European Research Area. Existing bilateral agreements should lead to multilateral coordination. Developing regions downstream can benefit from the leading - indeed world-class - innovative regions upstream.

Enterprises

Top-performing regions in Europe can be found in the Region. Others lag a long way behind. They need to benefit, through better connections between innovation and business supporting institutions. Clusters and links between centres of excellence, binding them into existing education and research networks, will extend the competitiveness of upstream enterprises to the whole region.

Employment market

Higher levels of employment are crucial. People need opportunities close to where they live. They also need mobility. The Region needs to offer opportunities to the brightest and most enterprising, in order to grow through stronger cooperation of relevant institutions regarding policies, measures and information exchange.

Marginalised communities

One third of EU’s population at risk of poverty, many from marginalised groups live in the Region. Roma communities, 80% of whom live in the Region, suffer especially from social and economic exclusion, spatial segregation and sub-standard living conditions. Efforts to escape these have EU-wide effects, but the causes must be addressed first in the Region.

Targets could be:

7) To develop the knowledge society
   - Raise combined public and private investment levels in RTD by 50% by 2020;
   - Have a broadband penetration of 80% by 2013.

8) To support the competitiveness of enterprises
   - Increase the internal trade by 50% by 2020 compared to 2010;
   - Increase the number of patents obtained in the Region by 50%.

9) To invest in people
   - Have 30% of the 30-34 years old having completed tertiary education by 2020;
   - Double the average income of the population of the region as a whole by 2020.

3.4. Strengthening the Danube Region

The dramatic changes since 1989, and the varying fortunes of the countries since then, have exposed the Region to challenges in the capacity of institutions to confront the changes of the societies they serve. Its international character, with old and new Member States, applicants and partner countries offers threats such as smuggling and human trafficking, but also opportunities as the gateway to large parts of the world. We must reinforce capacity and
cooperation, to make a safer and more secure place to live, and to reinforce the integration into the EU. Good example administrations in the Region can especially help.

**Main issues**

**Institutional capacity and cooperation**

We need to improve the structures and capacity for better private and public sector decision-making including good planning and improved international cooperation. Substantial resources are needed and availability: the optimal use of these is essential.

**Security**

Greater mobility, and more economic integration, also brings problems. Corruption and organised crime spread. Issues such as smuggling, trafficking of human beings, and international black markets call for the strengthening of the rule of law, both within and across jurisdictions. We must share intelligence better, and mount effective joint actions.

Targets could be:

10) *To step up institutional capacity and cooperation*
   - By 2020 it should not take more than 4 weeks to get permission for a business start-up.

11) *To work together to tackle security and organised crime*
   - Have in place an efficient system of exchange of information (including DNA) in the 14 countries by 2015;
   - Have in place by 2015 an effective co-operation between all police forces of the 14 countries to fight organised crime.

4. **IMPLEMENTATION AND GOVERNANCE**

To address these issues, we need a good base to work together.

- **A sustainable framework for cooperation**

The Strategy is based firmly on the principle of making best use of what is available, by aligning efforts, specifically policies and funding. We must also ensure that actions are complementary and mutually reinforcing. All stakeholders must take their responsibilities. The Commission can help by facilitating and supporting action but the commitment and practical involvement of all authorities, at national, regional and other levels is needed to make it happen. A reinforced territorial dimension will provide an integrated approach, and encourage better coordination of sectoral policies. This must be an absolute focus on results.

- **Coordination**

Several measures are needed.

The policy-level coordination of the Strategy will be the responsibility of the European Commission assisted by a High Level Group of all Member States. The Commission would consult the Group on modifications to the Action Plan, reports and proposals for modifying the Strategy.
The coordination of each Priority Area will be the task of Member States (sometimes together with a non Member State), in consultation with the Commission. ‘Priority Area Coordinators’ will ensure that implementation progresses (e.g. by agreeing on planning, with milestones and timetables with all the countries/ stakeholders concerned). This work will be trans-national, inter-sectoral and inter-institutional.

Overall, the Commission will be a key actor in sustaining the process, providing leadership and, in cases of disagreements, facilitating discussion. It will be assisted in this day-to-day work by National Contact Points designated by each participating government. These will ensure the co-ordination within each country, identify the relevant contacts, and above all advance practical aspects of the work.

- **Implementation**

  The implementation of the actions will be the responsibility of all, but particularly the countries/ regions/ stakeholders concerned. Often, it will require the transformation of the actions proposed in the Action Plan (which state the objective to be reached) into concrete projects (which are detailed and require a project leader, a timeframe and financing).

- **Funding**

  The Strategy will be implemented by aligning existing funding to its objectives. Indeed, much is already targeted to this region via numerous EU programmes (for example, approximately EUR 100 billion from Structural Funds 2007-2013). There are also other sources, such as international financing institutions (e.g. EIB: EUR 30 billion 2007-2009), as well as national, regional and local resources. Indeed, this funding, especially from public and private sources below the EU-level, is crucial. The Strategy will mobilise all available resources to the agreed aims.

- **Reporting and evaluation**

  Reporting and evaluation will be done by the Commission, in partnership with the Priority Area Coordinators and other stakeholders. Coordinators will identify outcome indicators related to the actions and projects which will form part of the strategy and the improvements for the Region which these actions will deliver. Coordinators will provide information annually on progress towards achieving these outcomes. The Commission will draft a yearly report on the Strategy, indicating progress of the Action Plan.

  The Commission also will organise a regular Forum, to report on progress, to consult on new/updated actions and to develop new approaches. This forum will invite the countries, the EU institutions, and the stakeholders (especially non-governmental and inter-governmental bodies, the private sector and civil society).

- **No new EU funds, no new EU legislation, no new EU Structures**

  The Commission prepares the Strategy on the understanding this implies no special treatment, in budget or legal terms, for the Region. Specifically:

  (1) The Strategy provides no new EU funds in the 2007/2013 period. There could be additional international, national, regional or private funds, although better use of existing funds is emphasised.
The Strategy requires no changes to EU legislation, because the EU legislates for the EU27 and not for a macro-region alone. If agreed, there could be changes at national or other levels, to address specific objectives;

The Strategy creates no additional structures. The implementation will be through existing structures as far as possible.

5. LINKS WITH EU POLICIES

To reinforce the integration of the whole Region, the Strategy aims to strengthen EU policies and legislation implementation in the area. The Strategy will provide political support to current initiatives and raise their visibility. In particular, some actions which have been decided in the framework of existing bodies are part of the Action Plan. In addition,

- **Europe 2020** is the new EU commitment to jobs and smart, sustainable and inclusive growth, which the Strategy will consolidate. It has five headline targets. These are: promoting employment; improving the conditions for innovation, research and development; meeting climate change and energy objectives; improving education levels; and promoting social inclusion in particular through the reduction of poverty. The Strategy is fully aligned with this approach contributing, in particular, by helping to remove bottlenecks, especially in the functioning of the Single Market, in the efficiency of infrastructures and in energy policies. For example, the Strategy will contribute to sustainable growth, helping to reduce energy consumption, increase use of renewable energies, modernise the transport sector to make it more environmentally friendly and more efficient, and promoting ‘green’ tourism, and improving the business environment.

- **The main lines of the Strategy are fully in line with EU legislation and policies.** We must however address implementation gaps, and practical or organisational difficulties leading to lack of results on the ground. Therefore, the Strategy will support better implementation of EU legislation, especially in relation to the Single Market and the environment. The Strategy also contributes to other EU policy instruments such as transport (TEN-T) and energy (TEN-E) networks, and the Digital Agenda. As the gateway to neighbours in Europe and onwards to Asia, the Region is building links to the neighbourhood and supporting other external policies.

6. CONCLUSION

The Strategy provides an overall and sustainable framework for policy integration and coherent development amongst the countries in the Danube Region. It sets out priority actions to make it an EU region for the 21st century.

The Region needs results. After decades of division and often of conflict, the Region will be a better place for its people and a showcase and gate to the world.