

# PA 8 of the EUSDR: Report June 2014

## 1. OVERALL PROGRESS

### 1.1 State of Play

#### General Remarks

The Priority Area 8 (PA 8) “To support the competitiveness of enterprises, including cluster development” of the EU Danube Strategy (EUSDR) is coordinated by two Priority Area Coordinators (PACs) resident in the Ministry of Finance and Economics in Baden-Wuerttemberg and in the Ministry of Entrepreneurship and Crafts in Croatia. Below is a summary of the important results agreed with the Members of the Steering Group (SG) and the seven Working Groups (WGs) of the PA 8 in the Reporting Period (01.01.2014 - 30.06.2014). The basis for this is the Action Plan of the EUSDR and the derived roadmaps of the SG of the PA 8. In addition, the next steps and planned measures to achieve the objectives of the PA 8 are identified. Detailed information about the PA, such as objectives, promotions, events, contact details, etc. are available on the Internet through the GroupSpaces of the PA 8 <http://groupspaces.com/Competitiveness/> and the landing page of the PA 8 <http://eu-danubestrategy.de/>.

The report that follows below, shows number of important issues that indicates on failures and gaps in which constructive and tangible EU Commission feedback is needed.

#### Working Groups

The PA 8 is the most diversified focal area of EUSDR, since economic players, companies, are active in all four pillars of macro strategy and cover both sciences and management, as well as environment, transport, rural and urban development and education. Therefore, a central work area during the reporting period was to continue the networking of key area stakeholders among all EUSDR countries.

Due to the broadly diversified field of activity of PA 8 there are seven WGs to support the coordination activities:

- Innovation and Technology Transfer
- Cluster of Excellence
- Vocational Training
- Entrepreneurial Learning
- Cooperation of Business Organizations
- Environment Technology and Energy Efficiency
- Competitiveness in Rural and Urban Areas.

Until now, many different pilot projects have been developed and have been or are now being implemented such as, for example, SEECCEL in the Entrepreneurial Learning WG, DTCs in the Innovation and Technology Transfer WG, DanuClus in the Cluster Development WG and SIRA in the Competitiveness in Rural Areas WG (see below and the landing page of PA 8).

### Importance of Networking

As before, the emphasis in PA 8 was on the further development and expansion of a stakeholder network to decision makers in key positions at the intersections between politics, administration, sciences and especially economically-relevant decision makers. This network is an essential prerequisite for the successful coordination in the PA 8.

In the course of the report period, over 10 stakeholder events were held in PA 8 which were substantially accompanied by PAC 8 (see also list in [Appendix 1](#)).

### Socio-economic Study

To adapt the implementation of the EUSDR to the circumstances and needs in the target countries on an informed basis, the EU Commission has tasked the PAC 8 team with the creation of a socio-economic study for the Danube Region. Meanwhile, the current Progress Report was presented at the 3rd Annual Forum of the EUSDR on 26 June 2013 in Vienna (the Report is available in Internet GroupSpaces of PA 8 <http://groupspaces.com/Competitiveness/files/folder/24393>). The study team also supports the Task Force INTERREG VB in the development of the operational "Danube" program.

### Acceptance of the Strategy

As before, the implementation of the Strategy is still misunderstood. Firstly, the Strategy is a network instrument and not a financial instrument. Secondly, what PACs 8 have experienced, the success of the EUSDR depends on the motivation, commitment and input of stakeholders in the target region. The hearts of the implementation of the Action Plan (according to the subsidiarity principle of the projects introduced by the target countries/regions) are the PACs and thus the SG members, including the WGs. "Priority Area Coordinators form the implementation core of the Strategy. Their work needs further embedding in political and administrative structures. Their visible, central role requires institutional stability, political recognition and allocation of sufficient human resources. Adequate staff and support from ministries to enable them to fulfil their role is crucial (see Report from the EU Commission of 8 April 2013 and the Council conclusions of 22 October 2013).

As before, the competence of the SG members and the PACs, their position, and in particular their administrative-political position in their national ministries is critical for the success of the strategy. The work of the SG is bound to be measured by the reputation and the competence of the seconded members from the target region. Not all countries in the target region are represented by representatives from ministries as required by the EU Commission, but this task is often given to external parties to perform and full feedback to the management is not always provided. However, competent PACs and SG members are an essential prerequisite for successful coordination work and the success of the EUSDR. The work continues to suffer from a lack of continuity of personnel in key positions like SGs and the absence of some neighbouring states in important meetings.

The most up-to-date report from the Commission to the European Parliament, the Council, etc., concerning the governance of macro-regional strategies - 20.05.2014 - COM(2014) 284 final, highlights the role of NCPs and the EU Commission in facilitating coordination of the implementation of the EUSDR.

"The PACs and SG members should be officially appointed (by the Sector ministers) and should receive a clear mandate, along with sufficient resources" (see the above mentioned

Report, point 5, recommendations). The support of the SG and the PACs by the policy, particularly by the domestic policy, is, as stated above, central to the success in implementing the action plan of the EUSDR. If this fails, the macro strategy will be doomed.

In 2014, the Government of Baden-Wuerttemberg also supported projects initiated by PA 8 coordinators in the framework of the WGs of PA 8 in the fields of technology transfer, environmental technologies and rural development through so-called start-up financing. It will be a priority task for the PAs in the current funding period (2014 - 2020) to raise financial support for projects with appropriate assistance from DG Regio.

If the goals of EUSDR are to be achieved in the medium term - avoiding the repetition of actions which have already been carried out for years - a renewed sustainable "alarm call!" by the EU Commission (Commissioner) and at the highest political level in the target countries is essential.

It is urgently necessary to perform further information work in the target countries to activate the stakeholders. Without stakeholders, projects cannot be carried out.

Stakeholder activation is a special challenge, which is why such emphasis is laid on addressing this issue and implementing it jointly with corresponding events in the countries of destination. This will be then linked with the presentation of the Social Study.

Major events of PA 8 during the reporting period:

- Participation in the Interministerial Working Group (IMA) of the promotion of the Danube Strategy in Baden-Wuerttemberg
- On the occasion of the largest education trade fair not only in Europe, Didacta held at Messe Stuttgart, the PAC 8 team hosted an international training event on 27th/28th March 2014 with political decision-makers (Germany, Croatia, Romania and Slovakia) and with CEOs of business organizations from Baden-Wuerttemberg, Croatia, Romania and Bulgaria and economic players. The event was to support partners in the Danube region in the implementation of the training of skilled workers on the basis of the DSD system.
- The dual education flagship project in Slovakia: In cooperation with the PA 7 Knowledge Society, the Vocational Training WG supports PA 8 colleagues both in joint PAC-cooperation workshops and by sending experts from the field of dual vocational education system development to the SG meeting (Budapest on April 2014).
- Participation of experts of PA 8 in the PA 7 SG Meeting in May 2014 in Budapest/Hungary concerning a Flagship Project Dual Academy Slovakia.
- Biomass event in Timisoara/Romania in March 2014 organized by WG SIRA of PA 8 together with companies from the EUSDR region in cooperation with economic layers from the "4-Motors of Europe" (the four most innovative regions in the EU, namely Baden-Wuerttemberg, Catalonia, Lombardy and Rhone-Alps).
- Expert meeting of three WGs of PA 8 in Zagreb/Croatia in March 2014 to discuss and to develop new strategies of cooperation:

Over 100 participants from 9 EUSDR countries attended the meeting. To support the PA 8 activities, publicity measures were carried out for visibility reasons through the following web pages: <http://groupspaces.com/Competitiveness>, <http://www.minpo.hr/default.aspx?id=29>, and an internal Landing page <http://eu-danubestrategy.de/>.

- Cooperation with business organizations such as the Chamber of Commerce Austria/WKO, the Slovakian Business cluster organizations, the Budapest Chamber of Commerce and, e.g. the D-S AHK, as well as with the Bulgarian Automotive Cluster organization and VW Slovakia and suppliers to the automotive sector SG meeting of PA 8 in Chisinau/Moldova, with participation of nine EUSDR-countries including Moldova and Ukraine (see item 1.2 Process and Appendix 2).
- Annual Forum: six WGs of PA 8 were active during the course of the 3rd Annual Forum of the EUSDR in Vienna on 27.06.2014 with different events: speakers corners,, information booths and exhibition where SEECEL was presented. Presentation of the socioeconomic study: State of the Region Report of PA 8.
- In addition PA 8 WG meetings took place in the area of cluster promotion and also environmental technology to develop new project strategies.
- PA8 boosted cooperation between two EU macro regional strategies. Respectively Adriatic-Ionian Strategy event in Corfu, Greece, June 10-12, 2014 was a place of interaction and delivery of PACs 8 experience in EUSDR implementation.

The following direct outcomes of the implementation of the Action Plan during the reporting period were

- The process of re-industrialization in the Danube countries started with the international meeting which gathered three PA 8 WGs “Innovation and Technology Transfer”, “Environmental Technologies and Energy Efficiency” and “Cooperation of Business Organizations (Zagreb, March 2014)
- Women entrepreneurship internationalization and networking – PA 8 financially supported 41 women entrepreneurs through their participation in the 8<sup>th</sup> Forum BPW Danube net in Sofia and 1<sup>st</sup> International Forum of Women Entrepreneurs in Istanbul. BPW Danube net is the only women entrepreneurs’ association in the Danube Region, and the Croatian branch, BPW Pula, it’s most active member.
- PA 8 chose two project ideas from Croatia to apply for Technical Assistance Provision through TAF DRP (PA10, Austria):
  1. Transport-Logistics Centre Vuka – applicant is Vukovar-Srijem County
  2. WESMA - Waste to Energy Sludge Management – applicant is Energy Institute Hrvoje Požar (EIHP)

In both cases, the technical assistance is approved and assigned through consulting services for preparation of pre-feasibility studies of the projects, as part of the documentation for future project financing from the Structural funds.

1. Logistics Centre “Vuka” will be a hub for the wider region in this part of Eastern Europe in which all activities related to transport, logistics and distribution of goods (for national and international transit) will take place for the most varied subjects/users of services on a commercial basis. It has a transnational aspect considering partners from Danube Region countries.  
The formation of the modern logistics Centre is compatible with EU standards and the quality of performance in order to provide a framework for economically profitable and self-sustaining long-term operation.  
It is also compatible with Strategy Europe 2020 that promotes sustainable transport in order to remove bottlenecks in key infrastructure of transport networks.

2. Project idea application WESMA - Waste to Energy Sludge Management was selected in the Second Call of TAF-DRP to receive technical assistance. Project ideas were submitted by the Energy Institute Hrvoje Požar (EIHP), a State-owned non-profit scientific institution from Zagreb, Croatia which is a member of the PA 8 Environmental Technology & Energy Efficiency WG.

The project activity goes in line with WG focus on Waste and Water Management and is supported by the Environmental Technology Network Danube Region ETNDR operated by Umwelttechnik BW (Technologie und Innovationszentrum Umwelttechnik und Ressourceneffizienz Baden-Württemberg GmbH). Together with Umwelttechnik BW, partners from municipalities and waste management companies in Austria, Slovenia, Hungary, Slovakia, Bulgaria, Romania and Serbia will be involved in the waste management practices. Integrated waste management has strong cross-sectoral importance spread through different priority areas.

Key impact of the project will be improving waste management practices of anaerobically stabilised sludges at local and national levels contributing to the achievement of targets for the GHG emission reduction, meeting of renewable energy targets of the RE Directive, advancing business opportunities for SME's and public awareness.

## 1.2 Process

### Governance of PA 8

The 7<sup>th</sup> SG session of PA 8 took place in Chisinau, Moldova on 8/9 April, gathering representatives from different ministries, business organizations and academic institutions from 9 EUSDR countries. Members of the 7 WGs of PA 8 were also represented in this case. Colleagues from the Ukrainian Ministry of Foreign Affairs and Ministry of Economics, as well as from the EU-Delegation of Moldavia, took part in the SG-meeting. The participants analyzed the current situation of implementation of the EUSDR, especially in consideration of the Danube country, Moldova, and discussed new opportunities for cooperation in order to increase competitiveness, encourage new initiatives and expand communication platforms in that region. The Moldavian stakeholders have shown great interest in strengthening transnational cooperation and developing projects with stakeholders from the Danube Region. The SG meeting of the PA 8 was transmitted with a report on the EU Danube Strategy on Moldovan national television and was reported by national print media journalists in newspapers. The television transmission of the meeting is available under the following link: <http://trm.md/ro/vector-european/vector-european-emisiune-din-14-aprilie-2014/>

For a successful outcome in implementing a macro-regional strategy, the participation of competent representatives from all 14 participating countries/regions of EUSDR in the SG sessions would be ideal. Details have already been noted in Section 1.1.

In the second half of 2013, central importance was given by the PAC team to networking. The network care included the National Coordinators (NCPs), members of the SG and of the WGs of PA 8, the EU Commission especially the DGs on line, e.g. enterprise policy, and other international institutions together with other PAs (PA 2,3,6,7,9,10) of the EUSDR, which are particularly important to the activity of PA 8. Other contacts were also established and expanded to INTERACT and relevant stakeholders, in particular in the fields of politics, science, administration, education, environmental technologies and the real economic management players (companies).

A central focus in the PA 8 – as already specified in the Action Plan – was the promotion of prosperity in the EUSDR. To this end, according to the Joint Steering Group Meeting of PAs 7, 8 and 9 in the spring 2013, and again during the second Annual Forum of EUSDR (November 2013) there was a further event involving stakeholders from across the Danube Region with the support of Interact. More detailed information about the object and purpose, content and results is listed in Section 1.1. The event served primarily for closer cooperation in possible joint actions and projects such as, inter alia, the promotion of scientific cooperation, the promotion of clusters and vocational education with special emphasis in the area of the establishment and development of innovation and technology transfer centres and the dual training in pilot projects initially in Slovakia as well as in Hungary and Romania.

Contacts have also been expanded with EU bodies such as the DG Enterprise Policy, Education and Research.

To support PA 8, publicity measures were carried out for visibility reasons such as the setting up and maintenance of an Internet website as well as stakeholder seminars and publications. For this an internal Landing page for PA 8 was set up with [www.eu.danubestrategy.de](http://www.eu.danubestrategy.de), since access via GroupSpaces is too unusual for native interested parties and is designed in English. Additionally, on <http://www.minpo.hr> information about PA 8 activities is available in Croatian language, which is also comprehensive for the neighboring pre-accession countries.

In the last reporting period, information and presentation equipment was set up.

In addition, numerous stakeholder events, such as workshops, seminars and conferences, were conducted in Baden-Wuerttemberg, Croatia and in the Danube region for information, promoting awareness and motivation to participate with appropriate actions under the EUSDR (details on this are to be found in the lists in Appendix 3).

### **1.3. Funding**

For a successful implementation of EUSDR the leaders in charge of the coordination and guidance of the PAs should also be equipped with the necessary financial resources to carry out the required task.

The use of project start-up funds, as practiced by the Special Representative of the Danube strategy in the case of Baden-Wuerttemberg, has a positive effect on public perception. It stimulates interest in the macro strategy. For the coordinators, it is a huge advantage, especially for external representation and thus for advertising for participation in the objective of EUSDR if this, fitted by the European Commission with a financial project support instrument in the form of Technical Assistance (TA), can put measures in place. Without these financial incentives, the Coordinators' efforts can be futile because the beneficial motivation is absent in the "Promoting competition" PA market-oriented companies.

An additional decisive factor will be to tap into the existing subsidy funds, nationally and internationally, for strategic inter-regional cooperation projects within the meaning of EUSDR in the upcoming funding period 2014-2020, in collaboration with strong partners and open-minded far-sighted decision makers from politics, science and industry.

The Technical Assistance for the PACs must also guarantee sustainable success in the future. Future development must also be designed to be simple and non-bureaucratic. The TA must in no case be connected with excessive additional administrative burdens on the PACs. The authorities of the countries responsible for the coordination have already provided considerable human and financial advances.

In particular, in the “Promoting competition” PA 8 this means being reactive to respond to the corresponding requirements in the target region. Detailed and project-related work several years in advance is not possible. Similarly, a co-financing of the TA of 25% is too high and politically unjustifiable. The Council’s conclusions of October recommended in point 12, *inter alia*, “that the EU Commission should explore all possibilities for a simple and reliable financial support of PACs”.

Without improvement in the communication of the conditions laid down, the EUSDR seems doomed to fail.

## **2. PROGRESS BY TARGET**

The requirements associated with Horizon Europe 2020 were broken down by the SG of PA 8 into 4 specific main targets – respectively in 7 Working Groups.

### **Overall progress in the Working Groups**

In order to ensure that the whole range of issues is addressed adequately, the work of PA 8 has been allocated to 7 working groups (WGs), each with its own tasks:

#### *Innovation and Technology Transfer WG*

The Pilot Project and Technology Transfer issues are addressed adequately. The work of PA results is ongoing and will become a basis for fostering future activities in Technology Transfer. Existing Technologies for Developing and Ensuring Sustainable Competitiveness of Enterprises in Danube Region will be updated until the beginning of September 2014 and presented in the next WG meeting. Collaboration with PA 7 is strengthened through Danube-INCO.NET. This strategic high-level coordination and support action is also committed to the development of joint funding mechanisms - the establishment of the Danube Region Research and Innovation Fund.

The "Innovation and Technology Transfer“ WG was part of the agenda of a big international meeting in Zagreb, 24<sup>th</sup>/25<sup>th</sup> March 2014). On that occasion a better understanding of the need to develop the capacity for transfer of new technologies was achieved. Croatia has presented a strategic framework to support development of the innovation system and key stakeholders in the system. The result of the meeting is the start of negotiations between three partners from Germany, Romania and Croatia on further cooperation regarding the application and implementation of the joint project - Smart City Virovitica, Steinbeis Technology Transfer Centre and Cluj IT Cluster.

Activity of this WG during the 3<sup>rd</sup> Annual Forum:

Two Speaker Corners:

- Technology Transfer and Regional Competitiveness – Pilot Initiatives in the Danube Region
- Smart Business Association and Platform - the Danube Chambers of Commerce Association and the Smart SME Platform Danube Region (a tool to stimulate participation of enterprises)

### WG Clusters of Excellence

On 30 April 2014, the WG held its third political-strategic meeting in Vienna which was attended by 51 cluster managers/experts/policy makers from the Danube Region. In preparing for this meeting, six thematic areas were selected from previously identified areas of common interest for collaboration: Cluster optimisation, gender/diversity as drivers for innovation, smart furniture manufacturing, connecting manufacturing industries (especially automotive), Green Chemistry Belt® and strengthening creative industries. Split up into six workshops, the participants of the meeting discussed specific project ideas, potential partners and funding sources. For the end of June 2014, a follow-up meeting is planned for pitching these project ideas to EU funding programmes, in order to determine necessary adaptations for successful funding applications.

DanuClus (Danube Cluster Networks), a project idea of the Clusters WG launched in 2013, was awarded with a TA Facility for Danube Region Projects in 2014. Since April 2014, the WG leader has been cooperating with consultants from Metis in order to render DanuClus into a fundable project for the ETC Danube Programme. The goal of DanuClus is to create a strategic think tank on transnational cluster cooperation in the Danube Region and to launch pilot projects for cluster cooperation in specific thematic areas.

The WG has continued its strong collaboration with existing cluster projects in the Danube Region and beyond, such as ClusterPoliSEE, CluStrat, and ClusterCOOP.

### Vocational Training WG

The "Vocational Training" WG launched in spring 2014 is a joint project that is fully supported by the EU: five hundred apprentices and students could start their German vocational education model under the Hungarian National Labour Office (NRO) and the Budapest Chamber of Commerce and Industry (BCCI).

This Hungarian national project is running until 30th June 2015. Those graduate students and apprentices who are engaged with German industry's suppliers could apply for this project. The apprentices will study the German vocational system and methodology and the German language and can also take preparatory exams at vocational schools but the practical training will be with business organisations and companies. The main goals are to improve competitiveness and create more jobs for young people as well as to reduce unemployment among youth generations. On the other hand, companies could employ highly qualified workers. Another aim is to carry out a market analyses for eighteen qualifications and preparations for apprentices for market competence in the whole Danube Region. The total cost of the project is 1.2 billion Hungarian Forints (HUF).

Moreover, the "Vocational Training" WG currently supports the Education and Science Ministry of Slovakia in a national project for dual education under the working title "Dual Donauakademie Slowakei". The aim is to implement the training of skilled workers, learning in the DSD system in Slovakia. In a pilot project an EU-funded project will initially be brought on stream in the automotive sector jointly with the locally active car makers and their suppliers. For this purpose, an EU project application will be developed by 26 June 2014 at Erasmus + in various workshops, as a basis for developing a comprehensive training concept in the country which also involves other professions. Partners in the project, in addition to the lead local Education Ministry, are the relevant economic organisations in the country as well as Germany (Baden-Wuerttemberg and institutions at the federal level) and Austria (National Chamber of Commerce/WKO) together with, as sponsors and observers, the Hungarian chamber of Commerce in Budapest.



### WG Entrepreneurial Learning

The PA 8 flagship project SEECCEL (South East Europe Centre for Entrepreneurial Learning), as the EU best practice example in the area of entrepreneurial learning, is introducing the concept of education and training which supports an entrepreneurial way of thinking and is based on the development of individuals, including basic principles of efficiency in everyday life without a particular focus on business start-up – all of which leads to entrepreneurial literacy for society as a whole.

This is the first institutional development originated from the EU SBA process in the area of life-long learning with entrepreneurial learning as a key competence in which eight SEECCEL member states are implementing the working methodology through:

1. development of instruments and preparation on the national level,
2. strategic piloting,
3. review and ready for full scale implementation

as a parallel process that includes ISCED 2, ISCED 3, ISCED 5/6 levels in formal education in educational institutions all over participating countries.

Financial support is secured from European Commission (IPA Multi Beneficiary) and Croatian Government, Ministry of Entrepreneurship and Crafts, as well as SEECCEL member states.

The measurement of the impact of implementing SEECCEL activities is assured through a set of indicators that reports at EU level on policy partnership, policy elaboration, policy support resources, monitoring and evaluation, good practice exchange, training needs analysis, access to training and quality assurance. Learning and dissemination tools are exercised through Community of Practice, a virtual web portal for 500 EL experts from SEECCEL countries.

The successful posture of SEECCEL, flagship project in PA8 EUSDR, in the participating countries' network demonstrates how other Danube regions could join SEECCEL's Pillar Activities, as is the case of Moldova in women entrepreneurship development. A number of Moldovan national stakeholders were participating in the 7th PA8 SG meeting that took place in Chisinau in April 2014.

#### Next steps:

- Further enhancement of inclusion of other EUSDR countries into SEECCEL activities
- Stakeholders from the other EUSDR countries in the area of entrepreneurial learning are still encouraged to join SEECCEL's Pillar Activities

### WG Cooperation of Business Organizations

After the initiation of the new WG "Cooperation of Business Organizations", the 2<sup>nd</sup> WG meeting was hosted in Zagreb, Croatia, at end of March 2014. The main purpose of this meeting was to collect important projects and project proposals and prepare projects for the SG Meeting that took place on 8/9 April in Chisinau, Moldova.

New projects were collected by the members of the WG Business Organization:

Climate KIC could offer business model into SMEs to show how SMEs could adopt strategic goals.

They could also offer know-how transfer and generate projects. Climate KIC has over 250 partners across business, academic, public and non-profit realms.

Climate KIC is focusing on research, development and innovation-RDI, entrepreneurship and knowledge as well as climate innovation.

The Innocities project is focusing on creative industry. Europe's future relies on the capacity of its cities - they are the engine of European development, strengthening the existing creative industries and attracting new ones. The project has four main pillars. The first pillar is industry, the second is local government and capital cities in Central Europe, the third pillar is the chamber of commerce in Central Europe, and finally, the fourth pillar involves the leading universities. Innocities project main goal is to strengthen the creative as well innovative industry in the region, also to boost regional business and creative hubs. The creative economy brings together ideas about the creative industries, the cultural industries, creative cities, clusters and the creative class. Creative industries are the following: Craft, Architecture, Music, visual and performing arts, Design, Designer fashion, Film, video and photography, Software, computer games and electronic publishing, Television, Radio, Publishing, Advertising, Arts and antique markets.

Next steps: Further improvements will be aimed on cross-border SMEs access to finance through setting up of cross-border Revolving Innovation Funds for the support of sectors such as ICT, machine engineering, environmental technologies, biotechnologies, etc., and creating opportunities for networking among SMEs and research institutes in the whole Danube Strategy area.

#### **Environmental Technologies and Energy Efficiency WG**

The Working Group Environmental Technologies and Energy Efficiency will be integrated in the work of the Environmental Technology Network Danube Region (ETNDR). Task of the Working Group Environmental Technologies and Energy Efficiency is to identify, showcase and support projects, as well as helping potential project partners in the field of environmental technology and energy efficiency.

The Environmental Technology Network Danube Region (ETNDR) has been run since April 2013 by Umwelttechnik BW with a growing number of members and partners as well as interesting events in Germany and in the Danube Region.

By the end of May 2014, more than 100 companies and institutions from Germany and the Danube Region have confirmed their membership in the ETNDR. Many of them are already on the website with their logo and company profile. The membership is free of charge.

Because of the size of the Danube Region and the complexity of environmental technologies it is necessary to establish representatives of ETNDR in the Danube countries. The first four representatives are in Bulgaria, Croatia, Hungary and Romania. ETNDR supports their development into parallel ETNDRs of the individual countries in the Danube Region.

In the context of the EU funding of transnational cooperation (INTERREG) a new structure based on the work of ETNDR is under construction: the project PROM ET DR (Promotion of Environmental Technology in the Danube Region). Eight "Centres of Practice" (CPs) are contemplated in Bulgaria, Germany, Croatia, Austria, Romania, Serbia, the Czech Republic and Hungary, with a technological focus on waste and water management.

The Federal Ministry of Transport and Digital Infrastructure approved a grant in May 2014 for the preliminary project "PROM ET Danube Region" within the framework of the German Federal Program "Transnational Cooperation".

Looking back from the beginning of 2014:

- As part of the Priority Area 8 of the EUSDR – Competitiveness and Cluster Development – the second meeting of the Working Group Environmental Technologies and Energy Efficiency was held from 24th to 25th March in Zagreb, Croatia. The focus of the second session was on the presentation of different projects. 33 participants from six Danube countries (Croatia, Germany, Serbia, Hungary, Bulgaria and Romania) participated.
- ETNDR at the IFAT–International Trade Fair for Water, Sewage, Waste and Raw Materials Management from 5<sup>th</sup> to 9<sup>th</sup> May 2014 in Munich. Many interested visitors attended the promotion area and got information about the ETNDR. In this way new members were obtained and contacts were created between several partners. During the country presentations on 7th and 8th May the delegations from Bulgaria, Croatia, Hungary, Romania and Serbia presented some projects and presented information about the situation of the environmental technologies in their country.

Next steps:

- 3rd Forum EUSDR from 26<sup>th</sup> to 27<sup>th</sup> June in Vienna, Austria. Presentation of the ETNDR and matchmaking on Friday, 27<sup>th</sup> June, starts at 10 am. Guest speaker: Christian Weinberger, Senior Adviser Entrepreneurship & SME Policy, European Commission
- Environmental Technology Forum "How to develop Waste-Water-Management in Bulgaria and Romania" from 25<sup>th</sup> to 27<sup>th</sup> September 2014 in Ruse, Bulgaria. The ETNDR organize the Forum together with the representatives and partners from Bulgaria and Romania.  
Project-related corporate travel from 15<sup>th</sup> to 17<sup>th</sup> October 2014 to Split, Croatia. The ETNDR organize site visits in the field of water and waste management in cooperation with Baden-Württemberg International (bw-i) and the county of Dalmatia.

Besides the activities in the 'Working Group Environmental Technologies and Energy Efficiency' and the 'Environmental Technology Network Danube Region', two projects in the field of wastewater, waste and energy were established in the framework of EUSDR PA 8 through funding of the State Ministry. The State Ministry of Baden-Württemberg offers an annual fund of over €400.000 for EUSDR-projects. Environmental Technologies and Renewable Energies have been selected as one out of four thematic priorities for projects to be supported within the fund.

With the support of the Ministry of the Environment, Climate Protection and the Energy sector the University of Stuttgart generated an analysis of wastewater, waste and energy management in the municipalities of Stara Pazova and Indjija, Serbia. The analysis was completed in March 2014. A second project, a wastewater measurement campaign, also with scientific support by the University of Stuttgart and funding by the State Ministry, has just started. On the basis of the analysis, the Serbian State is applying for €39 Mio. IPA funding. The goal is the realisation of an energy efficient wastewater plant. The projects are an perfect example of a successful cooperation in the EUSDR.

### WG: Development of Rural and Urban Areas

) SIRA project for establishment of Competence Centres in Rural Areas:

- Conducting feasibility studies for the establishment of the Competence Centres - reports of the studies until 30 June 2014;
- Meeting on 24<sup>th</sup> April in Hungary during the International Conference on development of rural areas;
- Local workshops with stakeholders conducted in the participating countries in May and June 2014

Conduction of the final workshop in Tiisoara on 10-12 June to discuss the finding of the feasibility studies

Presentation of the preliminary results and the concept for the establishment of SIRA Danube Centres during the 3<sup>rd</sup> annual forum of EUSDR in Vienna (speakers corner on 27<sup>th</sup> June 2014)

2) Project in progress: Common Strategy for Territorial Development of the cross-border area Romania-Bulgaria - agriculture and rural areas are included in the strategy; pilot projects were completed, including:

- Development of architectural drawings for Eco Agro Food clustering (BSCSME);
- Development of architectural drawings for a training center with a business incubator in rural areas (Human Resources Development Agency)
- Development of architectural drawings for urban infrastructure (creative centre for fostering clustering of creative industries) which is lacking in the whole cross-border area and can serve as focal points for strengthening the clustering processes and improvement of the urban environment.

### Support for the planning process 2014-2020 in Bulgaria:

BSCSME is participating in several working groups established by the relevant Ministries for elaborating the future Operational Programmes 2014-2020 in Bulgaria. As a member of these groups BSCSME has provided support for the OP "Innovation and Competitiveness" – input to the OP to cover the Action Plan of the PA 8 Strategy.

### Recent Developments on proposed projects (included in the previous PA 8 Report):

1. Danube Creative Cluster (flagship project)

Work Progress:

- DanubePIE "Product Innovation through Eco-design in the Danube region" - project for introduction of eco-design in companies continued to be implemented with countries in the Danube Region (Germany – lead partner, Bulgaria, Romania, Serbia, Croatia, Hungary); funded under CIP;
- Project for enabling provision of design-related services to SMEs under implementation (funded by the European Design Initiative);
- Preparation of architectural drawings for the establishment of a Danube Creative Centre, which will be the basis for the development of creative industries in the Bulgaria-Romania cross-border region and a platform linking with similar structures in other Danube countries;
- Presentation of the idea to the "Creativity and Entrepreneurship" Working Group of PA9 to seek synergies related to fostering creativity in the process of training and education.

2. TourNet – Promotion of cross-border networking for the development of common Bulgarian-Romanian Tourist Products

The project has been implemented and finalized but it is sustainable and the activities continued:

- Successful organisation of a regular business-to-business event “CrossTour” in April each year with the help of the Enterprise Europe Network; in 2014 there were more than 40 participating tourism SMEs from Bulgaria, Romania and Moldova holding more than 300 business meetings

Appendix 1:**Some of the crucial events of the PA 8**

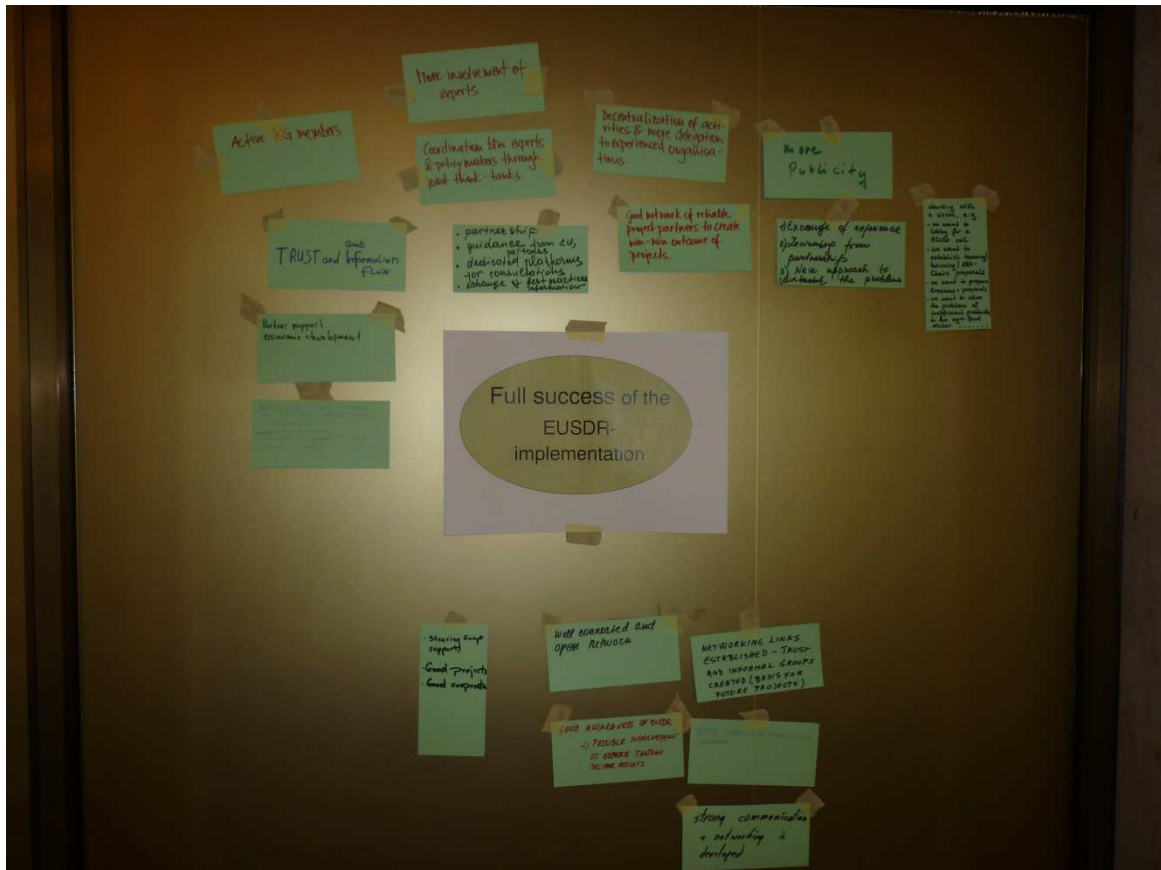
	<b>Working Groups</b>
12.02.2014	Interministerial Working Group (IMA of the promotion of the Danube Strategy in Baden-Wuerttemberg)
19-21.03.2014	Biomass event in Timisoara/Romania
24./25.03.2014	Meeting of the Working Groups: "Innovation and Technology Transfer", Environmental Technologies and Energy Efficiency" and "Cooperation of Business Organisations" (Zagreb and Čakovec/Croatia)
	<b>Steering Group</b>
08./09.04.2014	7 <sup>th</sup> PA8 Steering Group Meeting and WG Entrepreneurial Learning meeting (Chisinau/Moldova)
	<b>Conferences/Meetings</b>
05.03.2014.	2 <sup>nd</sup> Danube Salon - EUSDR PAC 8 presentation (Berlin/Germany)
11./12.03.2014	4 <sup>th</sup> Contact Point and meeting of PA8 Coordinators (Vienna/Austria)
27./28.03.2014	DIDACTA - The biggest education trade fair in Europe (Stuttgart/Germany)
07./08.05.2014	The Environmental Technology Network Danube Region on IFAT 2014 (Munich/Germany)
10.–12.06.2014.	Adriatic-Ionian Strategy Forum – PAC 8 EUSDR presentation (Korfu/Greece)
26./27.06.2014	3 <sup>rd</sup> Annual Forum (Vienna/Austria)
26.06.2014	Meeting of the Working Groups: "Cluster of Excellence" and "Environmental Technology and Energy Efficiency"



### Positive causes and effects:

On the other hand, the positive causes that are necessary for a full success implementation include:

- more political support
- more involvement of experts and better coordination between experts and policy
- good network of reliable project partners to create win-win outcome of projects; trust and informal groups created (basis for future projects)
- more publicity to raise awareness and contact to all funds managers
- improved participation of WG and SG members
- less bureaucracy



These causes lead to the following effects:

- dedicated platforms for consulting
- more publicity and awareness raising · activation of further stakeholders · initiation of new projects
- exchange of best practice information and experience
- guidance from EU partners