



Financial aspects of the Danube Strategy - challenges and opportunities

Szabó Zsolt Ph.D
National Development Agency
Hungary



- Financing the Danube Strategy - challenges and opportunities
- Example: sustainable energy
- DMRS Implementation in Hungary



Possible financial resources



- „3 NOs” – using existing (EU and domestic) funds more effectively and efficiently in a macro-regional dimension
- Structural and rural development funds (+ENPI, IPA, total: € 100 bn for the 14 countries, a part of it still uncommitted)
Action plan: SCF resources per priority
- EU centrally managed programmes (TEN-T, TEN-E, FP7, LIFE+, CIP)
- International financial institutions (EIB: 30 billion € transactions in the region)
- Financial engineering instruments (Jeremie, Jessica)
- Domestic budgets



Challenges and opportunities



Macro-regional dimension: programmes covering more MS and accession/candidate countries

- Transnational programmes (no full coverage ↔ Baltic Sea Strategy)
- Cross-border border programmes (narrow focus, local nature)
- Means available for Accession and Neighbourhood countries IPA + ENPI

Definition/labelling questions:

Some DMRS project criteria (by DG REGIO):

- Contribution to the EUSDR actions and targets (are they needed?);
- Impact on the macro-region (are they important and transnational?);
- Design (are they realistic, feasible with a credible financial plan?);
- Support by the Danube Countries (do they have sufficient support?).



Challenges and opportunities

- SF and DMRS



Decision-making is out of scope of EUSDR, promotion is not a financial decision – involvement of managing authorities, monitoring committees is important

Political commitment → Financial commitment

Possible benefits for SF managers: DMRS projects

- are important - they are supported by several countries
- are good - they have been assessed by experts
- have a big impact - they would benefit to several countries, give a new dimension to programmes, increase synergies between funds
- add a new 'projects pipeline' improving the absorption, avoiding de-commitment



DMRS priority areas



I. Linking Danube region to other regions:

1. To improve mobility and intermodality, road – shipping: AT, RO, traffic: SI, SR
2. To encourage more sustainable energy - HU, CZ
3. To promote culture and tourism: BG, RO

II. Protection of environment:

4. To restore and maintain the quality of waters: HU, SK
5. To manage environmental risks: HU, RO
6. To preserve biodiversity, and the quality of air and soils: DE(Bayern), CR

III. Create welfare:

7. To develop the knowledge society: SK, SR
8. To support the competitiveness of enterprises: DE (BW)
9. To invest in people and skills: AT, MO

IV. Strengthening Danube region:

10. To step up institutional capacity and cooperation: AT (W), SI
11. To Work together to tackle security, organised crime: DE, BG



A menu of thematic objectives (CSF Funds, 2013+)



- Research & innovation
- Information and communication technologies (ICT)
- Competitiveness of Small and Medium-sized Enterprises (SMEs)
- Shift towards a low-carbon economy
- Climate change adaptation & risk prevention and management
- Environmental protection & resource efficiency
- Sustainable transport & removing bottlenecks in key network infrastructures
- Employment & supporting labour mobility
- Social inclusion & combating poverty
- Education, skills & lifelong learning
- Institutional capacity building & efficient public administrations



DMRS priority areas and CSF thematic priorities



DMRS priority areas	CSF thematic priorities
mobility and intermodality	sustainable transport, removing bottlenecks in network infrastructures
competitiveness of enterprises	competitiveness of SMEs
culture and tourism (?)	
sustainable energy	low-carbon economy
quality of waters	environmental protection, resource efficiency
biodiversity, quality of air and soils	
environmental risks	climate change adaptation, risk prevention and management
knowledge society	research and innovation
	information and communication technologies
people and skills	education, skills, lifelong learning
	employment, supporting labour mobility
	social inclusion, combating poverty
institutional capacity and cooperation	institutional capacity building, efficient public administrations
security, fight against organised crime	






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Sustainable energy



Energy: key issue for recovery



- European Energy Programme for Recovery: € 3,9 bn
- European Energy Efficiency Facility – € 146 m in risk capital + € 75 m from EIB for 3 years

Structural Funds:

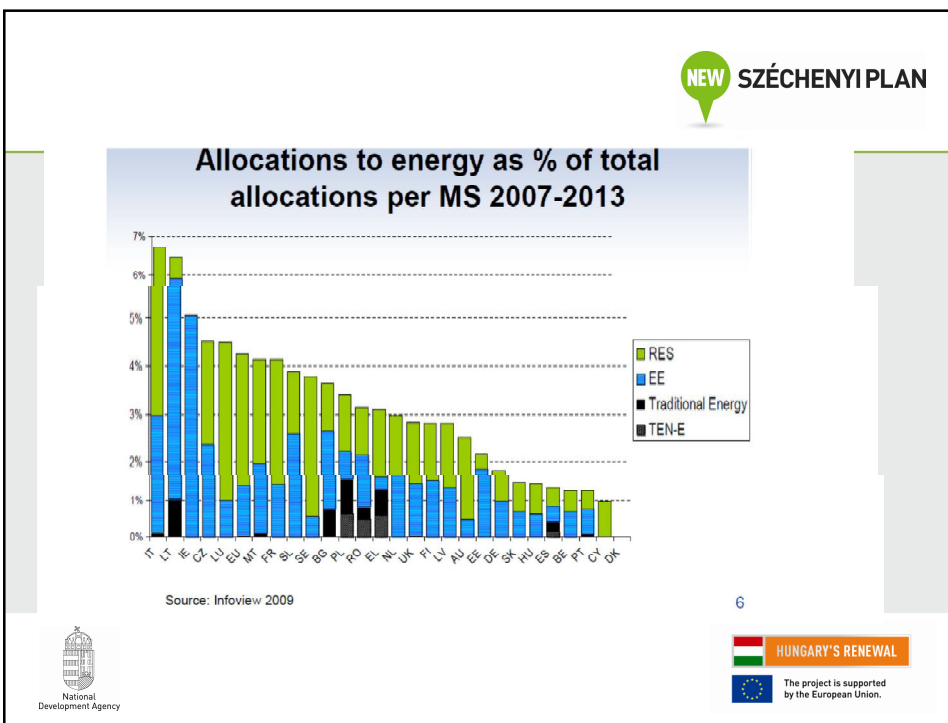
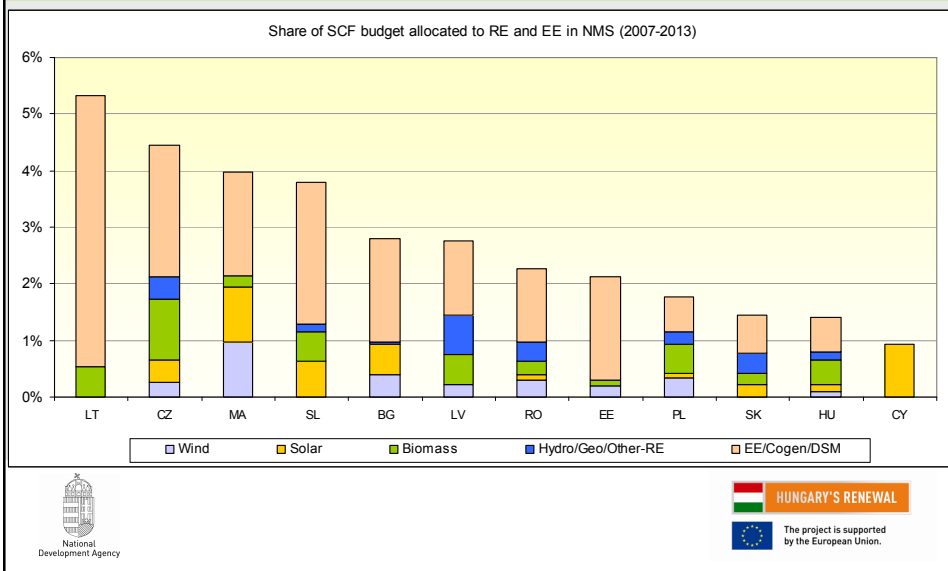
- 2007-2013: limited amount of resources – 3% of SCF (€ 350 bn) = € 10 bn in EU27, 2010: new ERDF-rules for housing
- 2014-2020: thematic concentration: 20/6% of ERDF earmarked for green economy

Urban issues:

- 75% of all energy consumption, 70% of GG emission from urban areas
- European Commission: urban agenda for 2013+
 - 5% of ERDF for sustainable urban development
 - Urban development platform
 - 0,2% of ERDF for innovative actions
- JESSICA: urban development funds (housing)

Renewable energy and energy efficiency in the operational programmes of NMS 2007-2013
 (based on code priority themes 39-43 according to Regulation 1828/2006)



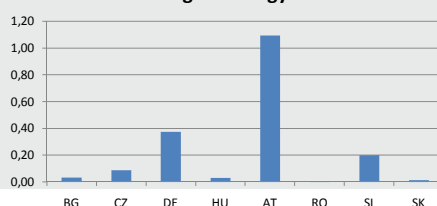
Competitiveness and Innovation Programme

Budget: € 3,6 bn (2007-2013)

Main target group: SMEs

1. Entrepreneurship and innovation (60%),
 - eco-innovation: 433 m Euro (1/5)
2. Information Communication Technologies Policy Support Programme: 730 m Euro (20%)
 - ICT for energy efficiency and smart mobility
3. Intelligent Energy Europe: (20%)€ 733 m

CIP Intelligent energy



Energy priorities in ETC

- SEE: priority 2 - € 63 m (Pr. 2,4: promote energy and resource efficiency)
- CES: priority 3 - € 77 m (Pr. 3,3: supporting the use of renewable energy sources and increasing energy efficiency)
- CBC-programmes
- INTERREG IV C: exchange of experiences and networking also in the field of sustainable energy (total: €320 m)
- URBACT: exchange of experience on urban development

Example HU-HR CBC programme:

- Geothermal Resource Assessment of the Drava Basin (EU contr.: 424 392,24 EUR nat. contr.: 45 327, 76 EUR)
- Innovative Geothermal Energy Research surrounding Csurgó and Kaprovnica (EU contr.: 436 900 EUR, nat. contr.: 26 000 EUR)



Financial Institutions



Criteria for being bankable: project need to generate cash-flow, need to have a clear project cycle, visibility, Structural impact

EIB

- experience and activity in water quality, sustainable transport and energy
- carbon finance initiatives
- European Clean Transport Facility - € 4 bn/year
- Energy efficiency: 2009: € 1,6 bn; 2010 € 2,3 bn
- Renewable energy: 2009: € 6,2 bn
- Technical assistance funds: JASPERS, ELENA
- West Balkans Investment Framework



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DMRS implementation in Hungary



- Government Commissioner+3 priority area coordinators
- Structural and Cohesion Fund resources and DMRS: 1272/2011. (VIII. 10.) Government Decree
- DMRS appointment: projects approved by the Government, suggested by coordinators
- Elaboration mechanism to align funds to DMRS projects (under process)
 - Preference in project selection
 - Reallocation (limited possibilities)



Some final remarks



- PACs and beneficiaries: funding map/list/inventory, coordination between funding sources
- Competence of MA-s untouched
- Alignment is possible, commitment is needed
- Use EIB and other IFI expertise
- Next MFF – early start of dabate, thinking ahead together





Thank you for your attention!

zsolt.szabo@nfu.gov.hu

