

Report on the International Conference

“Danube Strategy - An Impetus for Strengthening Regional Cooperation between Croatia, Hungary and Serbia”

Zagreb, Hotel Westin – 15.12.2011.

The international conference “Danube Strategy - An Impetus for Strengthening Regional Cooperation between Croatia, Hungary and Serbia” was organized by the Institute for International Relations and Friedrich Ebert Stiftung in Zagreb, on the 15th of December, 2011. The conference opened by Ms. Sanja Tišma, director of the Institute for International Relations (IMO) and Mr. Dietmar Dirmoser, Head of the Friedrich Ebert Stiftung Zagreb has been divided into three thematic panels. The aim was spreading the academic debate on the role and potentials of the Danube Strategy (DS) in the Danube region. The focus of the conference was concentrated on the main aims of the DS such as achievement of sustainable development of the Danube region, social and economic progress and higher level of competitiveness, as well as environmental protection, among the rest through the enhancement of transport corridors and security.

The first conference panel “The EU DS between consolidation of the EU governance and enlargement process” was moderated by the TV journalist Mr. Mislav Togonal and it was organised in a form of open discussion between the moderator and the panellists. It featured four panellists: Mr. Andrej Plenković, State Secretary for the European Integration in the Ministry of Foreign Affairs and European Integration and national coordinator for the Danube Strategy, H.E. Paul Vandoren, Head of the Delegation of the European Union in Croatia, Mr. Miroslav Kukobrat an expert for infrastructure and energy at the Regional Cooperation Council in Sarajevo and Mr. Johannes Jung, a consultant from Germany. Mr. Plenković indicated that the DS is not here to replace already existing initiatives such as cooperation between states within the Danube Commission. Instead the Strategy should be understood as an attempt to create a synergic effect among numerous ongoing initiatives. The Danube Strategy in that sense represents a broader framework which will enable successful project implementation. Mr. Plenković stressed that the DS represents one of the core successes of the Hungarian EU Presidency

and as such is placed highly on the list of Hungarian priorities; which represent a solid base for the strengthening of cooperation in the region.

H.E. Paul Vandoren stressed the importance of the DS from a perspective of the new cohesion policy which in the new programming period 2014-2020 will be focused on the fewer priority areas and will be more targeted towards achieving the concrete results which will be in line with the EU 2020 Strategy. The connection with the cohesion policy is of crucial importance since DS is based on the premise that there will be no new money for this strategy as well as no new institutions and no new EU legislation. According to Mr. Kukobrat DS represents best platform for promotion of complex integrated approach in the Danube region (territorial, multi-sector, multi-stakeholder, multi-level). The projects which will best reflect interests of a larger number of countries in the Danube region will be in a position to obtain a “letter of recommendation” stating that the proposal is in line with the DS that might be of crucial importance when making decisions about the funding. He further indicated that successful projects within framework of the DS will need to be concrete, time wise they will need to be quick and they will have to produce visible results. They will need to provide the obvious added value and regional impact. Another important issue is feasibility both technical and financial as such projects will have clearly to identify realistic sources of financing. Successful projects should be constructed on recognition of a common (regional) problem, joint project preparation and on finding joint solutions.

Mr. Johannes Jung stated that DS represents a framework for enhanced cross border cooperation in the region and that it also can lead to making the region as such more competitive. This is because many countries share similar problems. In the area of FDI the common problems can be summed up to two points: the necessity for creating conditions for the functioning rule of law and the necessity for furthering the vocational training. In his view the cross border projects created by the parts of national administration and universities lay at the hearth of the DS. Mr. Jung also indicated that we need to change the approach and instead of talking about the “funds” we should talk about the capacities to absorb the funds because for the good projects there will be the funds available for the DS projects from the Structural funds and other sources.

The second panel “Strengthening the Danube region through cross-border and transnational cooperation between Croatia, Hungary and Serbia” was moderated by Mr Hrvoje Butković from the IMO and was aimed at providing information on main aspects of the DS from the perspective of cooperation between Hungary, Serbia and Croatia. Mrs Višnja Samardžija from the IMO as the first panellist elaborated on the main challenges brought by the DS as new macro-regional strategy, where territorial cohesion plays significant role. As the second macro-regional strategy which encompasses 14 European countries, with 100 million of inhabitants, the DS is based on four pillars (connecting the Danube region, protecting the environment in the Danube region, building prosperity in the Danube region, strengthening the Danube region) with 11 priority areas coordinated on the national level. Mrs. Samardžija has stressed special character of the DS, which fosters innovative approach towards territorial and institutional aspects. The comparison has been made between the Europe 2020 Strategy, on one side, and DS on the other, with particular emphasis on the importance of regional dimensions in achievement of Europe 2020 Strategie goals. Presentation offered some facts on the previous experiences acquired by the Baltic Strategy, especially stressing the similarities like management schemes, territorial cohesion and relationship between the EU and the third countries. The interests and possibilities for the countries of the Danube region have been analyzed, with special focus on Croatia where the accent has been put on the two DS Priority Areas which Croatia is coordinating jointly with the German states of Bavaria (no. 6. preservation of biodiversity, landscapes and the quality of air and soils) and Baden Württemberg (no. 8. support for competitiveness of enterprises, including cluster development). Concluding remarks underlined the importance of the new cooperation possibilities on the regional level, with necessity of clear defining of development priorities and strengthening of institutional infrastructure on the regional and local level. Mrs. Samardžija pointed out the necessity of rising awareness on development potentials in the Danube region through the DS.

Second speaker was Mr. Ivan Knežević from the European Movement in Serbia who focused his analyses on the significance of the DS for Serbia. That significance can be seen in development of relations with the neighbouring countries, upgrading of regional cooperation, but also in enhancement of the European integration process. The relevance

of eventual projects which are expected to be developed within the framework of the DS has been elaborated as well. Mr Knežević has specially pointed to the necessity for complete implementation of the *acquis* in the area of financial management, and the relevance of encouraging private investment in the project financing. Mr. Knežević stressed the importance of awareness rising on the goals of the DS on the regional and local level. The exchange of good practices and experiences is seen as important benefit brought by the implementation of the DS. Mr. Knežević also analysed the role of civil society, where information and experience flow as well as monitoring process play important role in complete implementation of the DS.

Prof. Attila Ágh from the Corvinus University, Budapest has presented the DS from the perspective of the Hungary. He underlined that the DS presents relevant break through, with potentials which have to be utilized. The list of “quasi equal” policies requires adequate balancing between not only different policies, but different interests as well. Through example of balancing between transport policy and environmental policy Prof. Ágh has pointed out the necessity of compromising between conflicting priorities. Furthermore, he stressed the existence of a real territorial challenge for the EU Member States and third countries, where the DS shows benefits for all. The accelerated process of pre-accession of the Western Balkan countries would benefit the EU Member States through extended internal market which incorporates social values. While positioning the Hungarian expectations within the DS, Prof. Ágh elaborated five paradoxes brought by the implementation of the DS. The first paradox is the EU internal cooperation through DS, combined with the Western Balkan enlargement which is not sufficiently encouraged at the EU level (so called “EU priority paradox”). The so called “policy paradox” concerns tensions between different priorities in different policy areas, while the “institutional paradox” concerns the necessity for successful regionalization. The fourth paradox “social paradox” Prof. Ágh sees in social mobilization, which lacks coordinated and functional central state action, while the fifth one “political paradox” implies on the need for actual action on the national level, which does not include only crisis management, but also good grounds for implementation of the DS.

The following debate stressed the relevance of the human capital and exchange of good practices and knowledge, in implementation of the DS. Furthermore, the issues of institutional paradox have been discussed in the light of potential trilateral cooperation mechanisms within the DS.

The third conference panel moderated by Mr. Krešimir Jurlin from the IMO encompassed four speakers which analysed selected sector aspects of the DS. Mrs. Dragica Karaić from the Ministry of Economy, Labour and Entrepreneurship, Croatia opened up this panel with analysis of competitiveness as priority area coordinated by Croatia. After short introduction on main elements of the DS, Mrs. Karaić has pointed out the necessity for strong cooperation between public and private sectors, as well as academics. She presented activities of the Action plan in priority area no. 8 (support for competitiveness of enterprises, including cluster development) which focus on infrastructural upgrade, development of counselling and training activities, strengthening of capital, requirements for research and development, as well as strengthening of the rural areas within the regional development. Furthermore, focus has been oriented towards the removal of existing barriers, development of trade and investment, better legal framework as well as technology transfer in business sector. Mrs. Karaić provided an insight into the coordination activities in the priority area, as well as reporting activity which have to ensure close cooperation between economy, politics, science and administration. She stressed the importance of active participation of all actors included in implementation of the DS, through the exchange of information and better networking. According to Mrs. Karaić, the inclusion of entrepreneurship into the education system is important for making a step forward.

Mrs. Kornelija Pintarić from the Ministry of Culture, Croatia provided presentation on Environmental protection in the Danube Region. More specifically, her presentation was focused on the priority area no. 6 (preservation of biodiversity, landscapes and the quality of air and soils). Mrs. Pintarić indicated that goals within this priority area are expected to protect and restore valuable ecosystems and endangered animal species and to contribute to the 2050 EU vision and the EU 2020 target for the biodiversity. Furthermore, they are expected to reduce the spread of invasive alien species, as well as decrease the use of

pesticides. The prevention and improvement of the quality of soils is expected to ensure information on the land cover on transnational basis and awareness rising on the soil protection, while the improvement of air quality is expected to ensure lower level of air pollutions. Mrs. Pintarić has underlined the importance of educating of general public on natural assets values. Valuable source of guidelines for project selection was offered through the analyses of selection criteria and information on selection procedure. In conclusion, the speaker presented planned future activities in elaborated priority area within the DS.

Mr Szabó Zsolt from the National Development Agency in Budapest presented financial aspects of the DS. The structural and rural development funds, international financial institutions, and domestic budgets were indicated as some of the examples of potential financial resources. The comparisons in financing have been made between the DS and the Baltic Sea Strategy. Mr. Szabó has elaborated certain project's criteria. The main question which appeared was the question on the priorities which may be financed from the Structural Funds. The list of priority areas under the DS, next to the list of thematic objectives for the Structural Funds have been put in correlation, with the purpose of provision orientation for the future projects. Mr. Szabó has offered the example of sustainable energy, as the area which presents the key issue for recovery. Systematic data on renewable energy and energy efficiency in the operational programmes were presented, together with the data on allocations to energy, and energy priorities. Furthermore, Mr Szabó explained that in order to be bankable, the project need to generate cash-flow, as well as to have clear project cycle, visibility and structural impact. The implementation of the DS in Hungary was analysed as well.

The final speaker was Mrs. Vesna Stajković from the Ministry of Infrastructure and Energy, Serbia presented the mobility and multimodality in rail, road and air transport in Serbia. Mrs Stajković has pointed out the main targets brought by the DS in analysed transport sector. In that regard she mentioned: improved travel times; implementation of the four rail freight corridors which go across the Danube Region; development of multimodal terminals and fulfilment of Europe 2020 Strategy goals which concern climate changes and energy targets. Mrs Stajković provided short overview of main

actions from the DS Action plan in selected transport areas. Furthermore, she has presented project on facilitation of intermodal transport in Serbia. In conclusions, Mrs Stajković has stressed the importance of the DS for improvement of mobility and multimodality in the Danube Region.

The debate following the third panel offered further information on intensity of priority area cooperation between Croatia and Baden Württemberg, where Mrs. Karaić underlined that the coordinative activities on Croatian side imply support and confidence towards the process of interlinking and development of business cooperation. While speaking about the implementation in the area of biodiversity, landscapes and the quality of air and soils, Mrs. Pintarić stressed the necessity of employing an expert in Ministry of Culture, who would be wholly responsible for the DS priority area coordination.

The conference was closed by a conclusion provided by Mrs. Samardžija stressing that conference contributed to opening of academic debate on important questions regarding significance of the DS, eventual project application, cooperation and coordination areas. Mrs. Samardžija repeated the importance of raising awareness on the significance of the DS not only on the national but also on the regional and local level .

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