



“Developing study: exploiting funding opportunities”



REPUBLIKA HRVATSKA

MINISTARSTVO ZAŠTITE
OKOLIŠA I ENERGETIKE



DTP-PAC1-PA6-06

Priority Area: 06 Biodiversity, Landscapes, Quality of Air and Soils

Zagreb, 2018.

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Study title: “Developing study: exploiting funding opportunities”

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Partner: Ministry of Environment and Energy (Croatia)

More information on the EUSDR is available on
<https://www.danube-region.eu>
<https://twitter.com/eusdr>
<https://www.facebook.com/DanubeRegionStrategy>

More information on the Danube Transnational Programme is available on
<http://www.interreg-danube.eu/>

More information on the European Union is available on <http://europa.eu>.

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1. EU Strategy for the Danube Region (EUSDR)

1.1. About the Strategy

After the 2004 and 2007 waves of enlargement of the European Union Danube basin became a large part of the Union. European Commission proposed EU Strategy for the Danube Region¹ (EUSDR) in December 2010 and Strategy was endorsed by the European Council in 2011. The Strategy was jointly developed by the Commission, together with the Danube Region countries and stakeholders, in order to address common challenges together. The Strategy seeks to create synergies and coordination between existing policies and initiatives taking place across the Danube Region. Strategy brings together 14 countries along the Danube river, and covers an area which is home to 112 million people, or one-fifth of the EU's population:

- 9 EU Member States: Austria, Bulgaria, Czech Republic, Croatia, Germany (Baden-Württemberg, Bavaria), Hungary, Slovak Republic, Slovenia, and Romania.
- 5 non-EU countries: Bosnia and Herzegovina, Moldova, Montenegro, Serbia, and Ukraine (Odessa, Ivano-Frankivsk, Chernivtsy and Zakarpattia).

The region is facing a number of potential threats and challenges which include: environmental threats (water pollution, floods, climate change), untapped shipping potential and lack of road and rail transport connections, insufficient energy connections, uneven socio-economic development, uncoordinated education, research and innovation systems and shortcomings in safety and security. Those challenges as well as the opportunities have been described in the “Communication from the commission to the European parliament, the council, the European economic and social committee and the committee of the regions European Union Strategy for Danube Region”². European Commission states these challenges as the relevant ones for the need to establish a comprehensive strategy for the region:

- Mobility – the Danube river is a major trans-European transport network (TEN-T), but it is used well below its full capacity. EC states that there is a particular need for greater multi-modality, and better interconnection with other river basins.
- Energy – prices are high in the region. A greater diversity of supply through interconnections and genuine regional markets will increase energy security. Improved efficiency, energy savings and more renewable sources are crucial.
- Environment – region is a major international hydrological basin and ecological corridor which requires a regional approach to nature conservation, spatial planning and water management.
- Risks: flooding, droughts, and industrial pollution events are all very frequent. Prevention, and effective reaction require cooperation and information sharing.
- Socio-economic - region has very wide disparities. It has some of the most successful but also the poorest regions in the EU (and non-member states).
- Security, serious and organised crime: significant problems persist.

The most important beneficiaries of the strategy are people who inhabit this large region. European Union identified 12 priority areas which will largely focus on: transport connections, energy connections, the environment, socio-economic development and security. Those 12 priority areas (PA) are:

- To improve mobility and multimodality / inland waterways (PA 1a)
- To improve mobility and multimodality / road, rail and air links (PA1b)

¹ <http://www.danube-region.eu/>

² <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex:52010DC0715>

- To encourage more sustainable energy (PA 2)
- To promote culture and tourism, people to people contacts (PA 3)
- To restore and maintain the quality of waters (PA 4)
- To manage environmental risks (PA 5)
- To preserve biodiversity, landscapes and the quality of air and soils (PA 6)
- To develop the knowledge society through research, education and information technologies (PA 7)
- To support the competitiveness of enterprises, including cluster development (PA 8)
- To invest in people and skills (PA 9)
- To step up institutional capacity and cooperation (PA 10)
- To work together to promote security and tackle organised and serious crime (PA 11).

Each priority area is managed by two countries as Priority Area Coordinators (PACs). Each of the two responsible countries designates a Priority Area Coordinators that lead Steering Groups composed of members from all involved countries.

Region faces number of problems such as insufficient capacities and low quality or poor maintenance of transport and energy infrastructure. Thus, main issues and targets to resolve defined challenges are grouped by European Union and presented as Four Pillars:

- Connecting the Danube Region,
- Protecting the environment in the Danube Region,
- Building prosperity in the Danube Region, and
- Strengthening the Danube Region.

1.1.1. Connecting the Danube Region

The region connects 14 countries and many more minor regions in which people coexist for centuries. Good connections are key for a region this large, not only on the state or European level but on the global level. Main issues are transport, energy, culture and tourism.

- Transport – the river has a huge potential for sustainable inland navigation. Road, rail and air infrastructure is often inefficient or missing, especially cross-border connection. The Danube Functional Airspace Block (FAB) is essential for flights management as well as enhancement of regional airports capacities.
- Energy - Periodic crises highlight the Region's vulnerability. The quality of infrastructure, security of supply, market organisation, unsustainable demand, energy efficiency, and use of renewables are often problematic.
- Culture and tourism – with common history and tradition, culture and arts reflecting diverse communities, as well as its outstanding natural heritage, the Region has attractive assets for development of tourism.

1.1.2. Protecting the environment in the Danube Region

The region is dominated by one of the biggest rivers, but there are also huge mountains areas which include the Carpathians, the Balkans and part of the Alps. The region has a rich and unique flora and fauna, aquatic and terrestrial, including the few places in Europe which are home to pelicans, wolves, bears and lynx. Main issues are:

- Water – it is the most international river basin in the world, with many crucial tributaries, lakes and ground water bodies. The most crucial thing is a good water quality.

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- Risks - inhabitants of the Region must be protected from disastrous events, such as floods and industrial accidents which have significant transnational negative impacts. These events occur quite often, and a significant number of people is in constant fear of the next one. On the other hand, during the summer months the area is affected by increasing frequency of droughts.
- Biodiversity and soils – the previously mentioned risks lead to the loss of natural habitats which puts pressure on fauna and flora, and affects the overall quality of environmental health.

1.1.3. Building prosperity in the Danube Region

The region includes some of the richest EU regions as well as some of the poorest, as well as the 5 non-member states which have huge socio-economic and political issues. There is a huge difference in education and employment from the western parts of the region and the eastern ones. Main issues include:

- Education & skills - region can sustainably progress and grow
- Research & Innovation - region must use national and regional funds better, and benefit fully from the European Research Area
- Enterprises - 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
- Marginalised communities – many of the poorest communities live in this area, including Roma people.

1.1.4. Strengthening the Danube Region

Until the 1989 most of the region was under the Iron Flag, after the events of the early 90s the region started to develop, but it is long after its western parts. The region includes countries that entered the EU in different times in a period of more than 50 years beginning with West Germany in 1952 up to the last enlargement of 2013 when Croatia joined. The region also includes candidate countries which began their European journey as well as the neighbouring countries. This just shows how different those 14 countries are. Main issues here are:

- Institutional capacity and cooperation - structures and capacity for private and public-sector decision-making need to improve
- Security - Corruption, organised and serious crime is of increasing concern.

1.2. Priority area 6 – To preserve biodiversity and landscape and the quality of air and soils

This Analysis regards Priority area 06 of the Strategy which is “To preserve biodiversity, landscape and the quality of air and soils”. Nature and all the eco-systems of the Danube region provide invaluable environmental goods and services, such as food, fibre and fresh water, regulation of climate and quantity of water in the territory, soil protection and others. This enormous area with diverse landscape could buffer the effects of climate change, it could also absorb some of the pollution and waste. Human migration, cultural difference, urban/rural development and regional security need to be taken into consideration while planning the preservation of this region, but they should not affect the main reason why this strategy has been introduced and accepted and that is the environmental protection and preservation of flora and fauna as well as the wellbeing of the inhabitants.

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As mentioned above, each priority area (PA) has two coordinators and for PA 06 those are The Bavarian State Ministry of the Environment and Public Health and Croatia, Ministry of Environment and energy.

Priority area 6 has four targets:

- 1) By 2020 strengthen the work on halting the deterioration in the status of all species and habitats covered by EU nature legislation in order to achieve a significant and measurable improvement, adapted to the special needs of the respective species and habitats in the Danube Region.
- 2) Enhance the work on establishing green infrastructure and the process of restoration of at least 15% of degraded ecosystems, including soil, in order to maintain and enhance ecosystems and their services by 2020 in the Danube Region and to improve air quality.
- 3) Encourage achieving significant progress in identification and prioritization of Invasive Alien Species and their pathways in order to control or eradicate priority species, to manage pathways and to prevent the introduction and establishment of new Invasive Alien Species in the Danube Region by 2020.
- 4) Continue the ongoing work and efforts to securing viable populations of Danube sturgeon species and other indigenous fish species by 2020.

1.3. Task Forces

PA 06 has task forces which work on the development of the region throughout the implementation process which will further strengthen their work and the ongoing discussion on a wider coordination. There are seven Task Forces for the PA 06. These Task Forces represent the four targets previously mentioned and include:

- Danube Sturgeon Task Force
 - Objective: Sturgeon Conservation in the Danube River, Development and Implementation of Sturgeon 2020 programme
 - Chair: Institute of Biology Bucharest, Romanian Academy, Romania
- Danube Region Invasive Alien Species Network
 - Objective: Strategy for Monitoring and eradication of aquatic IAS
 - Chair: Institute of Biodiversity and Ecosystem Research, Bulgarian Academy of Sciences, Bulgaria
- Danubeparks – network of protected areas
 - Objective: Network of protected areas along the Danube, ecological connectivity
 - Chair: National Park Donauauen, Austria
- Soil Strategy Network in the Danube region
 - Objective: Soil protection network in the Danube region, linked to ELSA (European Land and Soil Alliance)
 - Chair: Government of Lower Austria
- Task Force on Air Quality
 - Objective: Measures to improve air quality, e.g. in terms of domestic fire and CO₂ emissions
 - Chair: Joint Research Center (JRC)
- Task Force on pesticides and chemicals
 - Objective: Measures to reduce pollutant emissions (pesticides and other obsolete chemicals)
 - Chair: National Institute of Public Health, Slovenia
- Working group Masterplan Bavarian Danube

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- Objective: Concept and projects to preserve and strengthen biodiversity along the Bavarian Danube
- Chair: Bund Naturschutz Auenzentrum Neuburg, Landesbund für Vogelschutz, Bavaria.

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2. Analysis of the needs and priorities for stakeholders of 7 Task Forces

For the purpose of collecting data and identifying the financial needs of the Priority Area 6 and 7 Task Forces, different methods were used. Methods used for this analysis include:

- questionnaire (annex 1) forwarded to the SG members and observers
- desk research of the material received from the contracting authority; online from the European Commission's website, national websites, programme websites.

The detailed results of questionnaire and research of the received material can be found in Annex 4. Table 1 represents summary of received questionnaires and Annex 6 summary of projects connected to PA06.

2.1. The questionnaire analysis

This questionnaire represents the list of questions created for the members of the Task Forces as well as the observers of PA6 SG. The purpose of the questionnaire was to find out the challenges as well as good practices from the financing period 2014 – 2020 for the Danube region, and what are the stakeholders needs for the next financing period. The questionnaire is comprehensive and focuses on financing resources and it is encouraged that the answers are detailed. Annex 1 represents the questionnaire. The questionnaire has 11 questions regarding questions considering previous, current and future financing of projects.

The questionnaire as a method of data collecting was selected because this method allows for the relevant information from the people who are most involved in the work of PA 06 and the Task Forces in their countries. Questionnaire was sent on three different occasions to 52 contacts. After receiving only one partially answered questionnaire and one position paper, some of the respondents were contacted by phone. Bosnia and Herzegovina answered the questionnaire after being contacted, but not Republic of Serbia and Bulgaria. The complete questionnaire answers were provided by Romania, Bosnia and Herzegovina and Slovenia. The results of this part of the research are not relevant to the community at large because only 3 out of 14 countries actually participated in it. The research was conducted from March to May 2018.

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Table 1 Results of the questionnaire analysis

Country	Challenges and difficulties for financing		Examples of good practice		Needs for the next period	
Romania	8. Estimate how did your work contribute to the PA06 targets during the reporting period?	Moderate progress	1. Funding resources and projects used in 2014 – 2020		2. Which partners would you recommend as obligatory or optional for future Calls for Proposals?	National authorities (already participate)
	Target 1	Partially	1.1.C. TRANSGREEN – PA 1 and PA 6 from: Austria, Czech Republic, Hungary, Slovakia, Poland, Ukraine and Romania	Project purpose: Integrated Transport and Green Infrastructure Planning in the Carpathian for the benefit of People and Nature	6. What are the policy areas that the PA06 selected as the main focus?	The biodiversity protection and conservation
	Target 2	Partially			10. Are there any plans to revise/update the list of targets?	Yes, it was a proposal from Romania in 2016, to include an action/or a target, but it remains without results.
	Target 3	Partially	1.1.C. MEASURES – PA 1, PA 4, PA 6 from: Germany, Austria, Hungary, Bulgaria, Romania, Serbia, Ukraine, Slovakia, Moldova, Croatia and Slovenia	Project purpose: Managing and restoring aquatic ecological corridors for migratory fish species in the Danube River basin		
	Target 4	Partially				
	9. What was missing in order to achieve the progress in reaching the PA06 targets, regarding all of the financial resources?	Few projects submitted for the PA 06 targets				
Bosnia and Herzegovina	4.1. Which criteria you consider most relevant for your grant award?	Finances	1. Funding resources and projects used in 2014 – 2020 1.1.C. DARLING: Danube Region Leading Geothermal Energy (Geological Survey of Federation of Bosnia and Herzegovina)		2. Which partners would you recommend as obligatory or optional for future Calls for Proposals?	For future Calls for Proposal participating who are not yet included
	4.2. Which criteria you consider most irrelevant and inadequate for your grant award?	1) Finances (relative weight 50%) 2) Deadlines (rw 20%) 3) Deliverables (rw 20%) 4) Gender equality (rw 10%)	4. Assess grant award criteria?	Adequate (for both Geological Surveys)	6. What are the policy areas that the PA06 selected as the main focus?	Renewable sources of energy, geology, environment
			5. Did you encounter any financial gaps? If yes, how did you overcome these gaps?	- Yes - From institutional budget		
	8. Estimate how did your work contribute to the PA06 targets during the reporting period?	Moderate progress			6.1. Do they cover all your needs?	Yes

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	Target 1	Partially			7. Do you have any suggestions in policy areas for preserving biodiversity, landscape and the quality of air and soils for 2021- 2027?	Increasing the use of renewable energy sources
	Target 2	Partially			7.1. What are the main arguments for selecting those policy areas as priority for 21-27?	The reasons are economic and environmental protection
	Target 3	Partially			11. List your key strategic projects for 2021 - 2027	Investigation of the possibility of using dumps from thermal power plants, mineral resources, geohazards
	Target 4	Partially				

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The questionnaire received from Romania is from Romania Ministry of Environment. Romania used national environmental fund, LIFE programme and Danube Transnational Programme for financing their projects in the financing period 2014 -2020. The projects Romania pointed out examples of good practice (TRANSGREEN and MEASURES) have been financed from Danube Transnational Programme. As a Ministry, they haven't mentioned any challenges or difficulties in the process. They estimate their work in PA06 as partially contributing. For the next financing period they think that obligatory partners have to be national authorities (who are obligatory partners already). Romania tried to update targets of PA06 in 2016 but their proposal didn't pass, so they plan to propose it again in the next financial period. That proposal was to include an action/or a target: "To develop strategic transnational cooperation to prevent and/or remove the effects of climate change on species and habitats".

The questionnaire received from Bosnia and Herzegovina (BiH) was answered by the Ministry of Civil Affairs. They also used financing from Interreg for their project DARLING, and the project was pointed out as a good practice example. BiH considers grant award criteria adequate, and even though they have encountered financial gaps, they managed to overcome them by receiving financing from institutional resources. They pointed out finances as the criterion they consider most relevant for the grant award. As well as Romania they estimate their work in PA06 as partially contributing. For the next financing period they want to include more possible partners, but have not pointed out who should they be. As to what are the policy areas that the PA06 selected as the main focus they think that renewable sources of energy, geology, environment should be more included. For suggestions in policy areas for preserving biodiversity, landscape and the quality of air and soils for 2021- 2027 they suggest increasing the use of renewable energy sources, which is in a scope of a different PA.

Slovenia sent their position paper which is presented as Annex 5. They haven't used any financial funds for the implementation of any of the targets of the PA6. There is no target which would be relevant for the topic which they are dealing with - namely obsolete pesticides and chemicals. As stated in their e-mail they have missed the opportunity to use available funds for the development of the project. They further stated that even if the project had been developed, the future financing would remain problem since it is not clear if there would be the relevant funding available in the future financial perspective to eliminate the obsolete pesticides and other obsolete chemicals in the region.

2.2. Desk analysis

For the purpose of the more thorough analysis of all of the possibilities all previously funded projects connected to PA 06 were researched. These projects were funded mostly through ERDF³ and IPA⁴, as well as other independent sources outside the EU, and with the help of PA 10 (Institutional Capacities & Cooperation) of the EU Strategy for the Danube Region. PA10 helped with financing number of different projects in PA06 scope through TAF-DRP⁵, START⁶ and The Danube Strategic Project Fund⁷. The data analysed was collected from the PA06 (Croatian Ministry of Environment and Energy) and online research. Data received from Ministry of Environment and Energy includes work plans and lists of projects approved by the Steering Group. The Table 2. "List of projects connected to PA06" (Annex 6) represents country of origin of the lead beneficiary, name of the project, lead beneficiary, their institution type, list of all of the partners and their institution type, as well as the goal, key needs,

³ European Regional Development Fund

⁴ Instrument for Pre-Accession assistance

⁵ <https://www.danube-capacitycooperation.eu/taf-drp>

⁶ <https://www.danube-capacitycooperation.eu/start-overview>

⁷ <https://www.danube-capacitycooperation.eu/danube-strategic-project-fund>

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financial data and to which action of PA06 it is connected to. These actions according to the EUSDR Action plan⁸ are:

1. To contribute to the 2050 EU vision and 2020 EU target for biodiversity
2. To manage Natura 2000 sites and other protected areas effectively
3. To protect and restore most valuable ecosystems and endangered animal species
4. To explore together the appropriateness of reviewing the Convention Concerning Fishing in the Waters of the Danube
5. To develop green infrastructure in order to connect different bio-geographic regions and habitats
6. To reduce the spread of invasive alien species (IAS)
7. To decrease the input of pesticides into the environment of the Danube Region
8. To remove safely obsolete pesticides and other obsolete chemicals in the area of Danube Region
9. To prepare and implement transnational spatial planning and development policies for functional geographical areas (river basins, mountain ranges etc.)
10. To ensure appropriate treatment of solid waste
11. To create standardised and compatible information on land cover on transnational basis
12. To raise awareness about soil protection
13. To decrease air pollutants
14. To raise awareness of the general public, by acknowledging and promoting the potentials of natural assets as drivers of sustainable regional development
15. To educate children and young people
16. To build capacities of local authorities in the environment-related matters.

In total there are 100 programmes as presented in Annex 3 which cover financing of biodiversity, landscape, air and soil protection which were researched for this analysis. More than 40 of them are cross border programmes. The other models of financing possible are national and those financed from the EU in their operational programmes.

Annex 6 presents the list of 23 projects which are related to PA 06. They cover different Actions of the PA06, listed in the previous paragraph, and have been financed with total of 30.345.605,01 EUR.

Out of 23 successful projects regarding PA06 in the financing period up to 2018, most of them are financed through Interreg Danube, while few have outside EU financing from large global enterprises such as Coca – Cola.

Lead beneficiaries in those projects are:

- NGO's
- Public bodies (which don't include national, regional and local public bodies⁹), and
- enterprises.

Partners in projects are:

- national / regional / local public bodies,
- high education / research institutions,
- other public bodies,

⁸ http://ec.europa.eu/regional_policy/sources/docoffic/official/communic/danube/action_plan_danube.pdf

⁹ Public bodies - public institutions or organizations owned by local / regional / national authority, which includes National parks, Nature parks, Tourist Boards, Development Agencies, etc.

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- NGOs and
- enterprises.

Partners come from all 14 countries which are included in EUSDR. Public information was available for 12 projects as to who is the lead beneficiary: Slovenia (4), Austria (3), Romania (3), while Bulgaria, Ukraine and Hungary were lead beneficiary in 1 project. Most of the partners in all 23 projects come from Hungary (27), other partners are distributed as follows: –Serbia (22), Romania (21), Austria and Croatia (18), whereas countries with least partners are Montenegro (5), Bosnia and Herzegovina (4) and Moldova (3). Key needs in those projects have been laid out in the table as well as their goals. Although not all countries participated equally in all projects as described above, in general data shows that more or less all countries have participated in the implemented projects, which is very important. Also, data indicates relatively good distribution of partners between the countries and high number of partners per project (8 on average).

2.3. Instruments for project preparation

Technical Assistance Facility for Danube Region Projects - TAF-DRP

Desk analysis also included projects funded through TAF-DRP, an EU grant scheme with a purpose to develop project ideas relevant to the EU Strategy for the Danube Region, into “bankable”, i.e. fundable project concepts. Bankable projects are mature enough to either apply for funding from donors and/or to EU programmes, and/or to start implementation with own resources. Supported project ideas set up a clear pathway towards project implementation, through the provision of consultant services. Those services are provided free of charge to selected Applicants, up to a value of 25.000 EUR for a duration of maximum 6 months.

Selected project ideas need to be realistic and feasible, have a public interest, show a clear macro-regional dimension and contribute to the objectives of the EUSDR, which means that the ideas should refer to one of the 11 Priority Areas of the EUSDR.

For the period of 2014 – 2016, through TAF-DRP, 7 projects¹⁰ from PA 06 were funded through 3 different Calls for proposals.

The Seed Money Facility START Danube Region Project Fund

Pilot initiative START – Danube Region Project Fund was established by the European Commission and Priority Area 10 “Institutional capacity and cooperation” of the European Strategy for the Danube Region, which is hosted by the City of Vienna. START was designed as a Seed Money Facility. Beneficiaries received an early pre-financing of 50 % of the total grant to cover their project expenses from the very beginning. The Seed Money principle especially benefits small organizations with limited access to funding. The Seed Money Facility START Danube Region Project Fund had 2 calls in 2015, successfully implemented 48 projects (out of more than 1.000 applications), out of which 4 in the PA 06.¹¹

¹⁰ Sturgeon Protect; FORZA; Sava Ecotour; I-Econetics; CACITES; PrioREST; WILD for DC

¹¹ Ex-situ survey to preserve sturgeon genetic diversity in the Middle and Lower Danube (STURGENE); Bee=Biodiversity (B=B); Soil- and Sustainable- Operations Network in the Danube Region; Preserving wildlife corridors in mountains as green infrastructure in the Danube Basin

This project is co-financed by the European Union

Project is co-financed within Interreg Danube Transnational Programme from European Regional Development Fund.

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Danube Strategic Project Fund

The Danube Strategic Project Fund (DSPF) is a facility aiming at supporting the implementation of transnational strategic projects aligned with the objective of the EU Strategy for the Danube Region (EUSDR), with a specific added value at the interfaces between cohesion and enlargement/neighbourhood policy. It is co-financed with funds provided to the European Commission by the European Parliament and the City of Vienna. The Danube Strategic Project Fund builds upon the experience gained during the implementation of the pilot initiatives START - Danube Region Project Fund and the technical assistance facility TAF - DRP. Moreover, it refers as appropriate to the results, conclusions and recommendations of the "Socio-economic assessment of the Danube Region", which was implemented by Priority Area 8 "Competitiveness" and finalized in November 2015.

DSPF focuses primarily on innovative pre-mature projects which could not be funded so far and respond to the actual needs in the Danube Regions functional area. Moreover, it will provide support for projects and initiatives which do not fit into a programme or funding scheme (or which need a combination of several funding instruments). The DSPF pays particular attention to projects that:

- Have a strategic impact, especially in view of Enlargement and Neighbourhood policies
- Have connections and/or spill-over effects in the territory covered by the EU Strategy for the Adriatic and Ionian Region
- Include neighbouring countries
- Include cross-cutting and/or horizontal measures covering several Priority Areas of the Strategy
- Follow a multi-level governance approach
- Support the establishment of economic and social cooperation
- Foster integration and reconciliation of Danube countries, with a particular focus on the training of young people.

During the 2017 DSPF financed 12 projects in total, out of which 2 in the PA 06¹².

2.4. Conclusion of needs and priorities analysis

First step which was taken in the process was contacting list of contacts who are involved in the work of PA06 with a questionnaire which was supposed to give the detailed opinions on previous, present and future needs for financing for PA06 work groups. Because of their busy schedules, and the fact that some might have not been included as much as it was possible in the works of PA, the approach of questionnaire was not successful and the results it presented were only partial. The results obtained don't give a clear picture of the needs of the entire area. Only 5.76% of all the contacts from the list received from Croatian Ministry of Environment and Energy answered the questionnaire. The ones received all pointed out that they need further financing. One of the additional needs which are related to PA 06 and have appeared in the analysis is more possibilities for renewable sources of energy, geology, environment.

¹² Developing an E-learning tool for Environmental Education for Primary and Secondary School in the Lower Danube Region (ELEDAN) and CONSPIRO - Breathing Together

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3. Analysis of the programmes

3.1. Financing programmes and instruments

The analysis covered all 14 countries involved in the Danube strategy and their programmes which are in immediate contact with environmental projects.

List of all operational programmes and other strategic documents are presented in Annex 2 (list), and the list of all collected data and analysed material is provided in Annex 3.

Analysis provides detailed structure for each of the 14 countries, stating:

- Financial institution
- Source of financing (programme and financial instrument)
- Title or Objective / Priority
- Type of Beneficiaries and possible partners
- Total financing/Total OP
- Financing intensity (co-financing rate).

3.1.1. Financial institutions and sources of financing

The analysis covered all institutions and managing authorities for different programmes, as shown in Annex 3. European Commission is the main institution for regulating different European strategies, such as Europe 2020¹³ and EU biodiversity strategy for 2020¹⁴. The Managing Authorities for programmes listed in Annex 3 are, as a rule, designated ministries, government offices or other local or regional bodies of each country (depending on their national regulation of EU funds).

Programmes covered in this analysis include: national programmes, EU funded regional and national programmes, and European Territorial Cooperation Programmes (cross-border, transnational and interregional programmes). Mentioned programmes are financed from national and European funds. European funds/instruments which fund these programmes are:

- European Regional Development Fund ¹⁵
- Cohesion Fund ¹⁶
- European Agricultural Fund for Rural Development ¹⁷
- European Maritime and Fisheries Fund ¹⁸
- Instrument for Pre-accession II¹⁹, and
- European Neighbourhood Instrument²⁰.

¹³ <http://ec.europa.eu/eu2020/pdf/COMPLET%20EN%20BARROSO%20%20%20007%20-%20Europe%202020%20-%20EN%20version.pdf>

¹⁴ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52011DC0244&from=EN>

¹⁵ http://ec.europa.eu/regional_policy/en/funding/erdf/

¹⁶ https://ec.europa.eu/regional_policy/en/funding/cohesion-fund/

¹⁷ https://ec.europa.eu/agriculture/rural-development-2014-2020_en

¹⁸ https://ec.europa.eu/fisheries/cfp/emff_en

¹⁹ https://ec.europa.eu/neighbourhood-enlargement/instruments/overview_en

²⁰ <https://www.euneighbours.eu/en/policy/european-neighbourhood-instrument-eni>

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Cohesion policy includes the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Cohesion Fund. Economic, social and territorial cohesion is about ‘reducing disparities between the various regions and the backwardness of the least-favoured regions’ (1986 Single European Act), but also the idea is that cohesion policy should promote more balanced, more sustainable ‘territorial development’ – a broader concept than regional policy, which is specifically linked to the ERDF and operates specifically at regional level. The regulations which determine the amounts available for cohesion policy for 2014-2020 came into force on 21 December 2013, as part of the ‘financial perspective’, the seven-year European budget. €351.8 billion were set aside for cohesion policy measures in the 28 EU member countries for 2014-2020, which is about one third of the EU budget. National governments negotiated how the funds should be distributed in the EU Council and, even though all regions still benefit from cohesion policy, priority was given to countries and regions whose development was lagging behind. More than half of the budget – €182.2 billion – has been set aside for less developed regions, which have a GDP of less than 75 % of the EU-27 average. €35 billion has been allocated to transition regions, which have a GDP of between 75 % and 90 % of the EU average, and €54 billion to more developed regions which a GDP of more than 90 % of the EU average. Accordingly, **Cohesion policy has set 11 thematic objectives** for the period 2014-2020. PA6 objectives are imbedded in objective 6. *Preserving and protecting the environment and promoting resource efficiency*, especially Investment priorities: “protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure”; “taking action to improve the urban environment, to revitalise cities, regenerate and decontaminate brownfield sites (including conversion areas), reduce air pollution and promote noise-reduction measures²¹” and “conserving, protecting, promoting and developing natural and cultural heritage” as set out in the Article 5 of ERDF Regulation²².

The Instrument for Pre-Accession Assistance (IPA) is the means by which the EU supports reforms in the 'enlargement countries' with financial and technical help. The IPA funds build up the capacities of the countries throughout the accession process, resulting in progressive, positive developments in the region. Those reforms should provide their citizens with better opportunities and allow for development of standards equal to the ones we enjoy as citizens of the EU. The pre-accession funds also help the EU reach its own objectives regarding a sustainable economic recovery, energy supply, transport, **the environment and climate change**, etc. It replaces a series of European Union programmes and financial instruments, namely PHARE, PHARE CBC, ISPA, SAPARD and CARDS. The IPA 2007-2013 ("IPA I") is made up of five different components:

- Assistance for transition and institution building;
- Cross-border cooperation (with EU Member States and other countries eligible for IPA);
- Regional development (transport, **environment**, regional and economic development);
- Human resources (strengthening human capital and combating exclusion);
- Rural development.

The IPA beneficiary countries are divided into two categories:

²¹ REGULATION (EU) No 1300/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 December 2013 on the Cohesion Fund and repealing Council Regulation (EC) No 1084/2006

²² Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006

- EU candidate countries (Turkey, Albania, Montenegro, Serbia and the former Yugoslav Republic of Macedonia) are eligible for all five components of IPA;
- Potential candidate countries in the Western Balkans (Bosnia-Herzegovina, Kosovo under UN Security Council Resolution 1244/99) are eligible only for the first two components.

Countries specific measures that have been included in national OP is provided in the in the Annex 3 of the document.

The IPA 2014-2020²³ ("IPA II") legal framework and financial assistance are under the responsibility of DG Neighborhood Policy and Enlargement Negotiations, with the exception of cross-border cooperation between Member States and IPA countries. Accordingly, IPA supports cross-border co-operation between candidate countries, potential candidate countries and EU Member States.

The European Agricultural Fund for Rural Development²⁴ (EAFRD) supports European policy on rural development. To this end, it finances rural development programmes across the Member States and the regions of the Union. In the 2014-2020 programming period, for the first time, the EAFRD is specifically included in the policy framework of the European Structural and Investment Funds (ESIF) and subject to the Common Provisions Regulation (1303/2013).

For the 2014-2020 programming period, the Fund focuses on three main objectives:

- fostering the competitiveness of agriculture
- ensuring the sustainable management of natural resources, and climate action
- achieving a balanced territorial development of rural economies and communities including the creation and maintenance of employment.

Common Agricultural Policy for the period 2014-2020 has envisaged several measures under the Rural Development Regulation (1305/2013) relevant for the conservation of biodiversity. These measures are described under Article 17 Investments in physical assets (non -productive investments linked to the achievement of agri- environment -climate objectives), Article 20 Basic services and village renewal in rural areas (the drawing up and updating of plans for the development of municipalities and villages in rural areas and their basic services and of protection and management plans relating to Natura 2000 sites and other areas of high nature value), Article 21 Investments in forest area development and improvement of the viability of forests, Article 22 Afforestation and creation of woodland, Article 25 Investments improving the resilience and environmental value of forest ecosystems, Article 28 Agri-environment-climate, Article 29 Organic farming, Article 30 Natura 2000 and Water Framework Directive payments and, Article 34 Forest-environmental and climate services and forest conservation. Countries specific measures that have been included in national OP is provided in the Annex 3 of the document.

European Maritime and Fisheries Fund (EMFF) supports the promotion of economic growth, social inclusion, creation of jobs and supporting labour mobility in coastal communities and aims for the diversification of activities within fisheries and into other sectors of maritime economy. It can also support studies, conferences, networking activities and the acquisition of new professional skills enabling professionals of the fisheries sector or their life partners to enter into tourism activities or to carry out complementary activities in the field of tourism.

²³ https://ec.europa.eu/neighbourhood-enlargement/instruments/overview_en

²⁴ http://ec.europa.eu/regional_policy/en/policy/what/glossary/e/european-agricultural-fund-for-rural-development

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EMFF for 2014-2020 is grounded in the following three main axes: Environmentally sustainable EU fisheries; A competitive EU fisheries sector and Better social conditions. Fund emphasises objectives of protection and restoration of aquatic biodiversity and ecosystems, the protection and restoration of aquatic biodiversity and the enhancement of ecosystems related to aquaculture and the promotion of resource-efficient aquaculture.

In Regulation (EU) No 508/2014 of the European Parliament and of the Council of 15 May 2014 on the European Maritime and Fisheries Fund several measures relevant in the PA 6 context are available for countries, amongst other Article 38 (Limitation of the impact of fishing on the marine environment and adaptation of fishing to the protection of species), Article 40 (Protection and restoration of marine biodiversity and ecosystems and compensation regimes in the framework of sustainable fishing activities), Article 44 (Inland fishing and inland aquatic fauna and flora), Article 48 (Productive investments in aquaculture), and Article 54 (Aquaculture providing environmental services). Measures that countries used in the current program period are available in the Annex 3.

European Territorial Cooperation Programmes are financed (depending on the country) from European Regional Development Fund, Instrument for Pre-accession II, and European Neighbourhood Instrument. European Territorial Cooperation (ETC), better known as Interreg, is one of the two goals of cohesion policy and provides a framework for the implementation of joint actions and policy exchanges between national, regional and local actors from different Member States. The overarching objective of European Territorial Cooperation (ETC) is to promote a harmonious economic, social and territorial development of the Union as a whole. Interreg is built around three strands of cooperation: cross-border (Interreg A), transnational (Interreg B) and interregional (Interreg C). In general, European Territorial Cooperation Programmes offer the biggest possibilities for funding projects in the area of biodiversity, landscape, air and soil protection.

European Cross-Border cooperation supports cooperation between NUTS III regions from at least two different Member States lying directly on the borders or adjacent to them. It aims to tackle common challenges identified jointly in the border regions and to exploit the untapped growth potential in border areas, while enhancing the cooperation process for the purposes of the overall harmonious development of the Union. For 2014-2020 Cross-Border cooperation investments are: innovation, health care, education, employment, labour mobility. For the PA6 the most relevant investment is education as source of funding biodiversity related projects. It covers 60 programmes focused on results and priorities, in line with the new reformed EU Cohesion Policy allocated with EUR 6.6 billion. At this moment, data on the allocations related to biodiversity measures as provided in the annex 3, was not public available for the purpose of this analyses.

Transnational cooperation involves regions from several countries of the EU forming bigger areas. It aims to promote better cooperation and regional development within the Union by a joint approach to tackle common issues. Interreg B supports a wide range of project investment related to innovation, **environment**- especially water resources, rivers, lakes, sea, accessibility, telecommunications, urban development etc. Interreg B covers 15 cooperation programmes. It is delivered through the European Regional Development Fund (ERDF) with EUR 2.1 billion for the period 2014-2020.

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One of the programmes is **The Danube Transnational Programme**.²⁵ The Danube Transnational Programme supports policy integration in the area within a range of fields linked to the priorities of the EU Strategy for the Danube Region (EUSDR). Transnational projects should influence national, regional and local policies (acting as “policy drivers”).

The Programme is focused on four priorities:

- "Innovative and socially responsible Danube region"
- "Environment and culture responsible Danube region"
- "Better connected and energy responsible Danube region"
- "Well-governed Danube region".

For Priority Area 6 of the EU Strategy for the Danube Region the most relevant is Priority 2 that has 4 specific objectives of which 2 are related to the biodiversity, landscapes, air and soil protection:

- Foster sustainable use of natural and cultural heritage and resources
- Foster the restoration and management of ecological corridors.

The DTP has designed its own DTP Capitalisation Strategy. The first call for proposals of the Danube Transnational Programme was launched in Autumn 2015, the second call in Spring 2017, and third Call is expecting to be launched soon. The implementation of Danube Transnational Programme during first and second call was supported with an allocation of EUR 453,849,194.00, for Priority axis 2: Environment and culture responsible Danube region which included priorities related to PA 6 with an allocation of EUR 144,884,340.00.

DTP Capitalisation Strategy recognize 11 Thematic Pole, and Thematic Pole 5 - Cultural and Natural Values in The Danube Region, Sub-pole 5b - Natural values, encompasses the PA6. The five projects within Thematic Pole 5b are focusing on the natural values of the Danube Region seeking to preserve and valorise this richness from different aspects. Two projects are concentrating on ecological corridors by enhancing framework for management of Transboundary UNESCO Biosphere Reserve “Mura-Drava-Danube” and by addressing connectivity issues along the Danube river corridor in between the national parks. The other three project tackle issues like sustainable tourism development in geo-parks; triggering economic development in Natura2000 sites; and protection and sustainable use of natural heritage represented by karst bio-regions.

Interregional cooperation, works at pan-European level, covering all EU Member States, and more. It builds networks to develop good practice and facilitate the exchange and transfer of experience by successful regions. It showcases what regions do well, to the benefit of those still investing.

Interregional cooperation 2014-2020 covers 4 interregional cooperation programmes Interreg EUROPE, INTERACT, URBACT and ESPON. Currently there is intention to use ESPON program to help PACs and the Strategy in the implementation of the set actions and targets.

The European Union's European Neighbourhood Policy aims at bringing the EU and its neighbours closer, to their mutual benefit and interest. It was launched in 2004 to help the EU support and foster stability, security and prosperity in its closest neighbourhood. In 2015, the EU launched a public consultation and review of the policy, with a Joint Communication adopted in November 2015 to adjust it to the challenges and crises that have hit the neighbourhood regions since 2008. The European Neighbourhood Policy governs the EU's relations with 16 of the its closest Eastern and Southern

²⁵ http://ec.europa.eu/regional_policy/en/atlas/programmes/2014-2020/austria/2014tc16m6tn001

Neighbours. To the East, among others and for EUSDR relevant countries, with the Republic of Moldova and Ukraine.

The policy proposes four priority areas: good governance, economic and social development, cooperation in the security sector, migration and mobility. Finally, attention is also paid to energy security and climate action. Funding for the European Neighbourhood Policy comes from the European Neighbourhood Instrument (ENI), with an allocation of over €15 billion from 2014-2020.

Other opportunities for financing include European Commission programmes LIFE²⁶ and HORIZON 2020²⁷.

LIFE²⁸ is the European Union's financial instrument supporting environmental and nature conservation projects throughout the Union and in some candidate and neighbouring countries. Themes of LIFE programme include Biodiversity issues, Air and Landscape protection.

Within the LIFE Nature and Biodiversity strand, specific funding is targeted at Biodiversity, a LIFE project category for innovative or demonstration projects that tackle wider biodiversity issues. These can range from the creation of green infrastructure, such as species corridors, to climate change adaptation measures and the removal of invasive species. Further, LIFE co-finances innovative projects that facilitate the implementation and enforcement of EU policy and legislation on air quality management and the prevention and reduction of air and noise pollution. Also, LIFE projects finance themes of landscape protection, land-use development and spatial planning, including urban design and transport planning. A particular focus is on projects exploring ways to facilitate the implementation and enforcement of EU policy and legislation on soil protection.

Accordingly, the LIFE programme for the 2014- 2020 funding period includes two sub-programmes, one for the environment and one for climate action. The environment strand of the new programme (75 % of the budget) covers three priority sectors among which the most relevant for PA6 is Nature and biodiversity.

The LIFE multiannual work programme for 2018-2020 was adopted by the European Commission on 12 February 2018. The new multiannual work programme details how the LIFE programme will allocate resources among areas of policy priority in 2018-2020. In total, €1 243.81 million will be earmarked for work on nature conservation and environmental protection, and a further €413.25 million for climate action. The multiannual work programme for 2018-2020 will also increase LIFE's budget for nature conservation and biodiversity by 10%. In parallel, the total number of project topics in the sub-programme for Environment has come down from 87 to 42. Another marked change on previous years is the introduction of a two-stage application procedure for traditional projects under the Environment sub-programme. From now on, candidates will present a lighter outline of their work at the first step of the application process. They will receive feedback on this outline and, if successful, will then submit the full version of their proposal.

Horizon 2020²⁹ is the biggest EU Research and Innovation programme ever with nearly €80 billion of funding available over 7 years (2014 to 2020) – in addition to the private investment that this money

²⁶ <http://ec.europa.eu/environment/life/funding/life2018/index.htm>

²⁷ <https://ec.europa.eu/programmes/horizon2020/en/>

²⁸ <http://ec.europa.eu/environment/life/about/index.htm>

²⁹ <https://ec.europa.eu/programmes/horizon2020/en/find-your-area>

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will attract. Horizon 2020 reflects the policy priorities of the Europe 2020 strategy, including biodiversity topics through relevant projects and calls.

Within the focus area Societal Challenge „12. Climate action, environment, resource efficiency and raw materials“ funding supports research and innovation with the specific objectives protection and sustainable management of natural resources and ecosystems. Research and innovation covers activities related to Nature-Based Solutions - Providing viable solutions of natural ecosystems. Horizon 2020 Objective: Climate action, Environment, Resource Efficiency and Raw Materials finances activities in protecting the environment, sustainably managing natural resources, water, biodiversity and ecosystems. The aim of those activities is to provide knowledge and tools for the management and protection of natural resources, in order to achieve a sustainable balance between limited resources and the present and future needs of society and the economy. Activities focus on furthering our understanding of biodiversity and the functioning of ecosystems, their interactions with social systems and their role in sustaining the economy and human well-being, developing integrated approaches to address water-related challenges and the transition to sustainable management and use of water resources and services, as well as providing knowledge and tools for effective decision making and public engagement.

Finally, the actions and targets of Priority Area 10 and the EUSDR are implemented through Technical Assistance Facility for Danube Region Projects (TAF-DRP), START Danube Region Project Fund and Danube Strategic Project Fund (DSPF), as described under section 2.2 and 2.3 of this document.

The Annex 3 gives an overview of EU funded regional and national programmes, European Territorial Cooperation Programmes and national programmes, where sources of funding are provided through national and European funds/instruments. Above described funds/instruments in its regulations, contain measures directed at preserving and protecting the environment, encouraging countries to address topics relevant for PA 6 - biodiversity, landscapes, air and soil protection. In that context in Annex 3 beside financial institutions, programmes and instruments, you can find the information about the main objectives, beneficiaries and potential partners, all described more detail in the following text. In total there are 49 priorities in all different programmes which are related to environmental protection and nature. There are 11 objectives / priorities from the current financial period, which are in a close relation with PA 06 – to preserve biodiversity, landscapes, quality of air and soils. These objectives/priorities are parts of different national, cross-boarded, transnational and interregional programmes from 14 countries included in the analysis.

3.1.3. Beneficiaries and partners

In order to clarify possibilities to different types of institutions, and taking into account that, depending on the programme and source of financing, projects may require or support partnerships, research included analysis of potential beneficiaries of each identified programme, as well as partners.

Eligible beneficiaries and partners in all identified programmes include local and / or regional authorities (cities, municipalities, regions, etc.), and other public authorities (such as other public institutions or organizations owned by local / regional / national authority, which includes National parks, Nature parks, Tourist Boards, Development Agencies, etc.). As such, they could be designated long-term leaders in strategy / project planning.

Other potential beneficiaries and partners that are eligible applicants in most of the programmes are Higher education and public research institutions and Non-Governmental Organizations (NGOs), whereas Enterprises (that operate in the field of environment) are also eligible beneficiary and partner

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in more than half of the designated programmes. This shows that all mentioned institutions are generally considered reliable and potent beneficiaries and / or partners, and relevant stakeholders.

Interreg Europe, LIFE and Horizon

As for LIFE programme, Horizon and Interreg Europe, (which are not national programmes) which cover the entire European Union and adjacent areas, eligible applicants and partners include local and / or regional authorities (cities, municipalities, regions, etc.), and NGOs for all three programmes. Other public authorities (such as other public institutions or organizations owned by local / regional / national authority) and Higher education and public research institutions are not eligible applicant or partner in LIFE programme, and Enterprises are not eligible applicant or partner in Interreg Europe programme.

3.1.4. Financial total and co-financing

Financial envelope for the identified national programmes and European Territorial Cooperation Programmes is 93.1 billion EUR³⁰. Financial envelope for the identified programmes of the European Union (Interreg Europe, Horizon and Life) is 76.4 billion EUR. Researched programmes are included in the table in section 3.1.2. and listed in Annex 3 of this report, whereas budgets represent allocations by country (please note that ETC programme in the countries sheets include total allocation for all countries included in that specific programmes). Financial envelopes as provided in the Annex 3. are referred to programmes in total whereas the data for specific allocation for PA06 related objective is not provided and must be calculated as only a part of the total allocation, however biodiversity is recognized by the EU as one of the priorities both in national programmes and in European Territorial Cooperation Programmes, as well as in the European Commission programmes, such as LIFE and HORIZON 2020.

Co-financing rates vary within the national programmes, and in the European Territorial Cooperation Programmes they generally are at 85% co-financing from the EU. Co-financing within European Commission programmes varies (see Annex 3). However, for almost all actions within European Commission funded programmes co-financing ranges from 60% to 100% of the project eligible costs.

Hence the conclusion cannot be made that any of the programmes offers clearly more favourable conditions for the applicants. Key difference may be the option in which national authorities cover required co-financing (most commonly 15%), thus *de facto* providing beneficiaries with 100% grant.

3.2. Eligibility, selection and award criteria

Besides usual eligibility criteria, such as eligibility of applicants, of activities and of expenditures, or applying projects on time, these programmes have hardly any other eligibility criteria that cannot be connected to the previously mentioned. These are elementary criteria which must be met for projects to start the next phase. As stated in programme documentation most of the eligibility criteria are set to be defined in specific Calls. Operations must meet all quality criteria set in the call for proposals and they must be focused, relevant, viable, fit-for purpose. For European Territorial Cooperation Programmes eligibility criteria can be:

- strategic relevance
- regional relevance.

³⁰ <https://cohesiondata.ec.europa.eu/countries>

Selection criteria are also very similar to all programmes and can be separated into two phases:

3.2.1. Administrative compliance and state aid check

- 1.1. administrative compliance: submission in due time, completeness of the submitted project application package, financial capacity, presented costs are in line with the funding sources, no evidence for funding by other resources, de minimis check (if applicable)
- 1.2. state-aid check.

3.2.2. All others – which contribute to MRS

The macro-regional process applies principles of macro-regional relevance, transnationality, complementarity and impact or change. Through interlinking broad scope of activities and operations (projects) macro-regional processes and MRS thematic coordinators play an important role in the coordination of different funding sources (local, regional, national, EU).³¹

- 1.3. quality assessment: aims at assessing the relevance and feasibility of the project, Durable outputs and results
- 1.4. strategic assessment: relevance, coherence and contribution of project proposal to the programme overall strategy, clarity of objectives and measurability of outputs, relevance and coherence of partnership according to the objectives of the project,
- 1.5. operational assessment: suitability of the management structure, appropriateness of the communication activities, adequacy, consistency and coherence of the work plan
- 1.6. innovation impacts: usage of novel and innovative initiatives
- 1.7. coherence with horizontal principles: expected to have a long-lasting effect, sustainable development, gender equality, equal opportunities and non-discrimination
- 1.8. technical assessment: logic of the project, approach and capacity for management,
- 1.9. impact on economic activities: budget effectiveness and efficacy (value for money)
- 1.10. cross-border impact: added value of cross-border cooperation, capability to address territorial needs and challenges, clear rationale and evidence for increased policy lever or effectiveness due to CBC approach
- 1.11. context relevance check with Calls' topics: context of each project proposal must be in relevance with topics of the Call
- 1.12. potential effects of the planned interventions in terms of decreasing environmental risks and damage.

DTP already included selection criteria related to specific EUSDR Priority Areas as set out in the Action Plan of the EUSDR and if the project provides clear value added regarding the achievement of actions and/or targets defined for one or more EUSDR Priority Areas. Also, some countries, like Croatia in the specific call of proposal related to biodiversity included criteria of MRS relevance to specific actions and targets.

The selection and award criteria can be different for each Call for proposals, depending on the specifics of that Call. This report presents most common criteria to be assessed, however, their actual relative weight can also vary within different Calls.

³¹ www.interact-eu.net/download/file/fid/13242

It is important to note that presented criteria are comprehensive and cover rather large set of aspects to be considered when weighting the quality of the project proposal. It is up to each separate call to establish relative weight of the criteria.

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4. Conclusion in terms of gaps, challenges, opportunities and recommendations regarding funding opportunities for PA 06 EUSDR and their Task Forces

This analysis gave the cross section look into the previously projects financed from the EU and outside possibilities, it covered all programmes which give financing for this specific PA and other documents previously mentioned. First method used in the research was sending a questionnaire to Steering Group of PA06 and the results showed how out of the only two received back from Romania and Bosnia and Herzegovina, no one of them used EU funds as much as it is possible for them. They used Interreg Danube as a financing possibility and they had other cross-border and even national programmes where more of their projects could have been financed. Both showed how they partially contributed to the PA 06 targets during this financing period.

The next step in research was analysis of projects, activities and programmes financed in the area of biodiversity, landscape, air and soil protection. This covered more than 150 different documents. The analysis of the programmes covered different areas. The analysis covered all institutions and managing authorities for different programmes, as shown in Annex 3. Programmes covered in this analysis include: national programmes, EU funded regional and national programmes, cross-border, transnational, interregional.

All mentioned programmes are financed from national and European funds. For this analysis beneficiaries and partners were separated in five groups. For more details please see Annex 3. The objectives of the programmes that were included in the analysis cover the general scope of PA06. In total 100 programmes were researched, and information provided is based on that collected data.

The selection and award criteria can be different for each Call for proposals, depending on the specifics of each Call. This report presents most common criteria to be assessed, however, their actual relative weight can also vary within different Calls.

The research showed that even though there are projects and possibilities for beneficiaries interested in PA 06, there is space for improvement. For the long-term financing of biodiversity, landscape and protection of air and soils everyone involved should lobby to have more Calls in Interreg Danube and programmes to help protect the area.

4.1. Financing period 2021-2027

For the 2021-2027 period, in regards to the proposal of the European Commission on the EU funds Regulation³², the 11 thematic objectives from 2014-2020 have been reduced to 5 'policy objectives' (POs):

- 1) A smarter Europe – innovative and smart industrial transformation;

³² REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, and the European Maritime and Fisheries Fund and financial rules for those and for the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument, COM(2018) 375 Final of 29 May 2018.

- 2) A greener, low carbon Europe – clean and fair energy transition, green and blue investment, circular economy, climate adaptation and risk prevention³³;
- 3) A more connected Europe – mobility and regional ICT connectivity;
- 4) A more social Europe – implementing the European Pillar of Social Rights;
- 5) Europe closer to citizens – sustainable and integrated development of urban, rural and coastal areas through local initiatives.

In the proposal, the Danube Region Strategy is recognized as one of eleven Macro-regional and Sea-basin Strategies, which each new developed programme must take into account, identify challenges and contribute to objectives of the strategies.

The new Regulation proposal points out that administrative burden is to be reduced and procedures for contract award simplified. It further proposes alignment of rules between EU funds, and easier modifications of the programmes.

Important modification could be reduced co-financing rate for the Investment for jobs and growth goal (70 % for the less developed regions, 55 % for the transition regions, and 40 % for the more developed regions, 70 % for the Interreg programmes, and not more than 70% in the Cohesion Fund). However, this financing gap could be filled by larger project co-financing by the countries within the national programmes.

In the Regulation proposal, PA 6 fields are covered by the Policy objective: a greener, low carbon Europe – clean and fair energy transition, green and blue investment, circular economy, climate adaptation and risk prevention. Enabling conditions applying to ERDF, ESF+ and Cohesion Fund include prioritised action framework for the necessary conservation measures involving Union co-financing, including identification of the priority measures and an estimate of financing needs. Further, Annex to the Proposal for a Regulation of the European Parliament and of the Council on the European Regional Development Fund and on the Cohesion Fund³⁴ shows number of RCOs (Regional Policy Common Output Indicators) and RCRs (Regional Policy Common Results Indicators) related to the same Policy objective “Greener, low-carbon Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate adaptation and risk prevention and management”³⁵.

Further, other programmes such as LIFE and Horizon programmes will continue to be quality source of funding for potential PA 6 projects. In the proposal for a new LIFE programme for 2021-2027 the European Commission intends to allocate 5.450 billion EUR to projects supporting the environment and climate action. The new proposal in the Life programme are Strategic Nature Action Project dedicated to the achievement of EU nature biodiversity objectives including through implementing the PAF with concrete conservation actions, mobilising complementary actions financed through other sources and institutional building form mainstreaming and integration. According to the Commission proposal for Horizon Europe - THE NEXT EU RESEARCH & INNOVATION PROGRAMME (2021 – 2027) Within pillar 2 „Global Challenges and Industrial Competitiveness“, within Cluster „Food and Natural Resources“ there is areas of intervention biodiversity and natural capital.

³³ In policy objective, point viii) *enhancing biodiversity, green infrastructure in the urban environment, and reducing pollution*; clearly links with the PA 6 objectives

³⁴ https://eur-lex.europa.eu/resource.html?uri=cellar:8d2f7140-6375-11e8-ab9c-01aa75ed71a1.0001.02/DOC_2&format=PDF, COM (2018) 372 Final, Annex I, 29 May 2018

³⁵ E.g. Surface of Natura 2000 sites covered by protection and restoration measures in accordance with the prioritised action Framework; Surface area outside Natura 2000 sites covered by protection and restoration measures

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The future budget also includes 273 billion EUR from the Cohesion Policy, as well as the Horizon Europe (Horizon programme for the period 2021-2027) with a new budget of 97.6 billion EUR. At the end of 2018 The Commission will adopt a Reflection Paper “Towards a Sustainable Europe by 2030”, on the follow-up to the UN Sustainable Development Goals, including on the Paris Agreement on Climate Change.³⁶

Funding of the EUSDR is an issue, which concerns many of the stakeholders. The key funding mechanism is the Danube Transnational Programme (DTP). EU Programmes (Horizon, LIFE,) are active in supporting projects that contribute to area of intervention that are also areas of intervention of PA 6, primarily biodiversity.

Study on Macroregional Strategies and their links with Cohesion Policy - Data and analytical report for the EUSDR³⁷, published in November 2017, states that 47% of the survey participants strongly agree that it is difficult to find financing for the projects/activities. Further, 57% of the survey participants strongly agree that the competition for funding is very high in EU programmes. Only 29% of the survey participants agree that there is an increase in alignment between macro-regional strategy and ESIF³⁸ funding. General opinion of the survey participants is that it is far easier to get ESIF funding. Almost 60% either strongly or somewhat agree that there is no added value being part of a macro-regional strategy when applying for EU funding.

MRS are part of the 2014-2020 ESIF legal framework which calls on countries to align their programming priorities with those of MRS and on managing authorities to strengthen the links between programme managers and key MRS implementers. Bridging the gap between the strategies and funding opportunities is still a challenge. The on-going dialogue between programme managing authorities and strategy actors should be further encouraged. Managing authorities should be more proactive in the implementation of MRS in their programme objectives and should better integrate and coordinate relevant activity in the programmes.³⁹ For example in Croatian new online application for uploading project proposals⁴⁰, provides the possibility to track the contribution to MRS project on the level of the PA alignments and some calls include criteria in relation to targets and action contribution related to calls contributing to biodiversity objectives.

As stated in Regulation of the European Parliament and of the Council⁴¹ the ex-ante assessment in the financing period 2021 - 2027 will include at least the following elements:

- the proposed amount of programme contribution to a financial instrument and the expected leverage effect
- the proposed financial products to be offered, including the possible need for differentiated treatment of investors
- the proposed target group of final recipients
- the expected contribution of the financial instrument to the achievement of specific objectives.

³⁶ EU budget for the future - Sustainability, environment protection and fight against climate change

³⁷ http://ec.europa.eu/regional_policy/sources/cooperate/danube/eusdr_links_cohesion_policy.pdf

³⁸ The European Regional Development Fund (ERDF), The Cohesion Fund (CF) and The European Social Fund (ESF), together with the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF), make up the European Structural and Investment (ESI) Funds

³⁹ http://ec.europa.eu/regional_policy/sources/cooperate/macro_region_strategy/pdf/report_implement_macro_region_strategy_en.pdf

⁴⁰ <https://efondovi.mrrfeu.hr/MISCMS?op=kk&status=Otvoren>

⁴¹ https://ec.europa.eu/commission/sites/beta-political/files/budget-may2018-common-provisions_en.pdf

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The ex-ante assessment may be reviewed or updated and may cover part or the entire territory of the Member State and may be based on existing or updated ex ante assessments.

It is important to emphasize the EC proposal for cohesion policy post 2020 where is indicated that national mainstream programmes will be main source of financing across MRS and in every OP MRS requirements should be clearly noted. Art. 15 of the Interreg Regulation states that 100% of the total budget (other than technical assistance) of the transnational cooperation programme shall be programmed on the objectives of the Strategy (70 % for maritime cooperation). This was applied for the DTP for the current programming period.

As described above, in the EU budget 2021-2027 there will be a stronger link between Macro-Regional Strategies and transnational cooperation programmes having the same geographical scope, and cooperation in mainstream programmes will be more embedded and easier

4.2. Recommendations

For the financing period 2014-2020:

- For PA6 priorities and EU funding instruments there is a clear linkage between the possibilities that has been provided to the countries via existing regulatory framework though different funding instruments. Overview how the countries used the existing possibilities is provided in the Annex 3 of the documents. The overall financial allocation per program and /or per country in current programming period for concrete PA 6 related measures is not available across all 14 countries and further research could be done at the end of the current programming period.
- Content wise PA 6 funding possibilities are provided in almost all of the available programmes and as such are integrated in the mainstream (national) operational programmes. Process wise the clear linkage between the Strategy agenda and mainstream programmes needs further justification. Especially regarding activities/project that are achieving national goals (related to biodiversity, soil, air) and as such are contributing to the PA6 goals on the macro regional level. The clear linkage on both the process and the content level is clearly set out in the DTP.
- Small grants programs for the project preparations have been perceived positively by stakeholders. There is also room to improve follow up on the further project financing to align to the project need for the upcoming programming period.
- One of the possibilities for finding adequate financing for PA 06 projects is the online application created by PA10⁴² which is a gateway to finding funding in the EU Macro-Regions, which includes Danube Macro-Region. This database covers all possibilities for funding from grants, guarantees, loans and prizes. It also covers national, regional, transnational programmes and possibilities for funding and provides an opportunity to search by the focus area.

For the financing period 2021-2027:

- Looking at the funding framework set for the next programming period the main modality of funding PA6 will remain project per project bases. Having this in mind the challenge how to

⁴² <https://www.euro-access.eu/?part=searchFund>

ensure long term commitments of TF related to the ownership of PA specific milestones and goals and the need for long term financing still remains the open issue.

- Stronger attention is required from the countries in relation between the MRS goals and national (mainstream) OPs. This will help insure that the procedural as well as content wise priorities are embedded in the national policies. The countries will need to strengthen commitments of sectorial ministries especially once responsible for funding instruments and once responsible for PA thematic objectives thus acknowledge the importance of national coordination mechanisms regarding MRS implementation.
- The need to explore if the lower co financing rate for the upcoming program period will provide a challenge for the end beneficiary, and if needed provide assistance in finding solutions
- Building up on the existing experience further explore the possibility to include selection criteria related to specific EUSDR Priority Areas as set out in the Action Plan of the EUSDR in the calls of proposals, among others in national mainstream programmes and cross border programmes.
- Following to the PA 6 intention to achieve stronger cross MRS cooperation the alignment of funding is recommended to be addressed to adequately disburse the available resources in the achievement of the priority MRS targets.



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