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Southeast European Cooperative Initiative

Activities Report for 2009 and Challenges for 2010

I. Introduction

The regions of Central and South East Europe continue to be a place of dynamic change from the perspective of policy making. One should remember 2009 as the Danube year, since in this year the long awaited result for bringing the Danube countries closer together as one unique and specific macro-region, has become more tangible.

SECI closely followed the consultation processes at all levels and supported the Danube countries and the relevant stakeholders in taking active participation in this policy development process. Specific activities were developed in the area of the transport and navigation infrastructure development, where the role of the private sector and the affected industry representatives in specific infrastructure projects has been closely examined.

This report gives a summary of the efforts and the activities made by SECI in the passed year and an insight into the challenges brought about by the changes that took place in 2009, and to some of the activities planned to be implemented in 2010.

II. Summary of SECI Activities in 2009

2009 was primarily dedicated to activities concerning the deepening and the improvement of cooperation and development activities within the Danube River Basin. Here SECI has been active from several aspects: as policy facilitator within the framework of the *Danube Cooperation Process* (DCP); as a dialogue forum for inter-institutional and interdisciplinary communication with its *Partnership for Improvement of Danube Infrastructure and Navigation* (PIDIN); and as an overall regional stakeholder, observer and promoter of cross-sectoral developments and trends within the Danube River Basin.

1.1. Danube Cooperation Process (DCP) - Development of a comprehensive strategy for the Danube (macro-)region

Since the closure of the Stability Pact for South Eastern Europe and the establishment of a new framework for regional cooperation in South East Europe through the Regional Cooperation Council for South East Europe in June 2008, Dr. Erhard Busek, SECI Coordinator, was charged to oversee and coordinate the work of the Danube Cooperation Process, an initiative established within the Stability Pact for South East Europe framework in 2002. Taking into consideration that the DCP does not have an operational office and in order to maintain continuity, SECI acts as operational secretariat of the DCP so far.

On the 3rd of February 2009, the Senior Officials from the Ministries of Foreign Affairs from the Danube countries met in Kyiv to discuss further development priorities within the Danube region, and in the context of the Danube Cooperation

Process. On this meeting, Austria put forward the idea, developed already in 2008 jointly with Romania, for the elaboration of a comprehensive development strategy for the Danube region, as a third macro-region within the European Union, and on the example of the Baltic Sea Cooperation and the Mediterranean Partnership processes. This also constituted a follow up of previous discussions within the DCP framework for enhancement and deepening of the work of the DCP.

Positive feedback from the European Commission concerning this idea has been expressed already in 2008 by Commissioner Danuta Hubner from DG Regional Policy. The meeting in Kyiv of the DCP Senior Officials provided a forum for the initiation of a consultation process among the Danube countries as well as their subsequent joint promotion of the idea before the relevant EU institution. It also triggered the initiation of the necessary activities for obtaining the mandate for the European Commission from the Council of the European Union, to start with the activities necessary for elaboration of a Danube Strategy. This mandate was officially granted by the Council of the European Union at its 18/19 June 2009 session in Brussels and it is part of the conclusions of this session (page 13, point 34).

With this mandate the European Commission was asked to elaborate an EU Strategy for the Danube Region before the end of 2010. It is foreseen that the elaboration of the strategy shall include all Danube countries as well as all interested stakeholders (relevant stakeholder conferences are expected to be organised already in the first half of 2010). The implementation of the Strategy is foreseen to be launched in 2011, during the Hungarian presidency of the EU.

The strategy is expected to pursue a comprehensive and integrated development and cooperation effort, bringing together and integrating all development sectors and institutional levels as well as all interest groups. Such an approach should enhance and deepen already existing cooperation efforts, emphasise the regional needs and concerns as well as open opportunities for new approaches and joint integrated solutions for regional problems. The strategy is also expected to serve as an opportunity to achieve better coordination of the available funding and development mechanisms already existent within the region and available for the Danube countries as such.

1.2. Partnership for Improvement of Danube Infrastructure and Navigation (PIDIN) ***- Cross-cutting issues, regional perspectives and the role of the private sector***

In 2009, SECI also focused on the idea that the potential of the Danube, as one of the most important environmentally friendly transport axis, remains huge. Although there are industries and sector-specific users that recognise the benefits of inland waterways navigation and shipping, these users often highlight that there are still many obstacles and missing links (not only in the physical sense) for access to the Danube by certain users and that infrastructure (for inland waterways transport and other transport modes as much as for other related sectors such as tourism,

environment, water management, energy a/o) needs to be improved, and appropriate conditions for all end users need to be created.

In this context, SECI organised two PIDIN meetings in 2009. As before topics relating to cross-cutting issues concerning inland waterways transport, navigation, other transport modes, related infrastructure, environment, energy, tourism and the role of the private sector have been openly discussed between public sector professionals, private sector representatives and interest groups as well as international entities. The first meeting took place on the 14th of March in Vienna. The main focus on this meeting were the needs and the key issues concerning the removal of inland waterways navigation and transport obstacles, especially through specific/targeted infrastructure projects. Among others, the following conclusions were emphasised:

- The improvement of inland waterways navigation and transport conditions and the removal of navigation and transport bottlenecks have to take into consideration also the needs of those using the Danube as an inland waterway, such as shipping companies, cruise ships, relevant industries a/o. They face specific problems due to the lack of appropriate infrastructure on the Danube. In this respect, problems related to lock capacity and operation, low water levels, communications, legal frameworks and border management as well as insufficient port infrastructure have been reported;
- Progress concerning projects for the improvement of inland waterways transport and navigation infrastructure has been registered. It is nevertheless very important that problems related to such projects are identified and clearly outlined, so that they can be addressed at the appropriate level;
- The improvement and the development of the navigation and transport infrastructure on the Danube, even in the most ideal conditions, will take several years to be realised. Therefore, ensuring optimal navigation and transport on the Danube in this period until the necessary infrastructure is put in place, needs to be also taken care of, especially by the relevant waterway administrations, and by regular waterway maintenance from their side;
- Private sector stakeholders are willing to contribute to the development and the improvement of the transport potentials of the Danube and its navigable tributaries. Shipping and similar activities on the Danube could have a significant socio-economic contributions to the development of the Danube region in general;
- Close connection between inland waterways transport and navigation, and hydropower generation, road/rail transport infrastructure, environment and tourism on the Danube, has been noted and the need to remove missing links in this respect has been emphasised;
- There are a number of available funds for investments in the development of navigation and transport on the Danube, which are waiting to be used by the countries. Project proposals from the public authorities of the Danube River Basin countries are encouraged to make better use of such funds.

The second PIDIN Meeting is scheduled to take place on the 14th of December in Vienna. As a follow up and deepening of the discussions from the previous PIDIN meeting, the focus on this second meeting this year shall be put on cross-cutting issues and connections between inland waterways transport and other types of transport as well as hydropower

and their combination. A second topic which shall be looked into more detail on this meeting shall be the role of the private sector in the realisation of inland waterways transport and navigation infrastructure projects, especially in the case of Public Private Partnerships (PPPs). In times of crises, when public and other financing sources are reduced, PPPs can contribute to providing the conditions for sustainable development on a long-term basis.¹

1.2.1. Inventory of Danube Inland Waterways Transport and Navigation Infrastructure Projects

It was observed during the PIDIN meetings that there is hardly any overview of how many inland waterways transport and navigation infrastructure projects are being currently realised or are planned to be realised within the Danube region. Available information on the subject was fragmented and projects were rarely presented as relating in any way to each other.

Having this in mind SECI initiated an activity of gathering general information on inland waterways transport and navigation infrastructure projects on the basis of open source information. The activity took into consideration concrete infrastructure projects (navigation path improvements, locks, telematics, ports and related (intersecting) infrastructure such as bridges. It brought together project proposals, planned projects and ongoing projects, with the main goals of presenting a synthesised region-wide overview of infrastructure projects situation in the Danube River Basin.

Beside providing a rough overview of the ongoing planned and potential infrastructure development activities within the Danube Region, this activity also provided insight into the missing links and obstacles to the adoption of a regional development perspective for the Danube region, especially when it comes to development of integrated infrastructure projects.

Namely, the inventory shows that:

- information on infrastructure development activities within the Danube Region is scarce and fragmented;
- inland waterways transport is very low on the infrastructure development agenda of most Danube countries;
- transport infrastructure and other potentially related infrastructural activities such as related environmental projects, tourism and energy projects are rarely integrated in one single project, even if they are being realised in one and the same section of the Danube;
- public information on this type of activity is often contradictory and unreliable;

¹ Detailed information on this meeting are available on the SECI website under <http://www.secinet.info/initiatives/pidin/pidin/325-8th-drtm> ;

The inventory includes detailed information on the identified projects, project proposals and plans where possible. It also provides links and connections to related entries or descriptions. The gathered information shall be made available on the SECI website before the next PIDIN meeting (14th of December 2009). The gathered information provides a good basis for a discussion of an interdisciplinary and trans-national regional approach for the development of combined infrastructure projects within the Danube region, which will deal with several development aspects at the same time and will combine the needs and the goals of several sectors, thus providing more efficiency and effectiveness in solving issues of regional concern.

1.3. Regional Activities - Sectoral Regional Approaches and Developments

Within specific cooperation areas, Danube cooperation has been developing regionally for decades. Also in 2009 SECI has been in close contact with regional organisations and institutions with the aim of streamlining of undertaken activities and of identifying areas of interdisciplinary and cross-sectoral concern for future developments. Such coordination was done through targeted meetings, mutual consultations and information as well as through participation in related events and activities at which the regional perspective and approach have been often highlighted.

Thus, also in 2009 SECI has been in close contact with the Danube International Commission, the International Commission for the Protection of River Danube (ICPDR), the International Sava River Basin Commission (ISRBC), the Danube Tourist Commission and ARGE Donaulaender as the key regional entities active within the navigation, environmental, tourism and the sub-regional cooperation sectors respectively. In general activities undertaken by initiatives operating on the level of the Danube macro-region, took a very active attitude towards the idea for the creation of a comprehensive Danube Strategy within the framework of the EU policy and undertook a number of promotion and participation activities in support of this idea.

In this context several flagship events need to be emphasised:

- ***Workshop on the follow-up of the Joint Statement on Inland Navigation and Environmental Sustainability in the Danube River Basin***, Budapest, Hungary (30th of January 2009)

The *Workshop on the follow-up of the Joint Statement on Inland Navigation and Environmental Sustainability in the Danube River Basin*, jointly organised by the International Commission for the Danube River Basin (ICPDR), the Danube International Commission and the International Sava River Basin Commission (ISRBC) was of special importance for the inter-disciplinary and cross-sectoral cooperation within the Danube region. The main aim of the Workshop was to review progress and impact of the implementation of the *Joint Statement* within the Danube region as well as to identify where and how the implementation of the *Joint Statement* can be improved. Additionally, valuable information on new

developments concerning the environmental legal framework as well as inland waterways transport projects were considered and discussed.

The discussions showed that the *Joint Statement* is generally accepted as a useful facilitating instrument for stimulation of integrated approaches and interdisciplinary dialogue among experts within the Danube region. However, it was also concluded that greater responsibility for the enhancement of the interdisciplinary dialogue as well as the adoption of integrated approaches, especially in cases of mutual concern to several cooperation sectors, should be assumed by national and local public sector institutions. In this context, enhancing the communication among the relevant Ministries (Ministry of Environment, Transport, Tourism, Spatial Development a/o) and affected local authorities is of crucial importance. On a similar note, communication with the civil and private sector and information dissemination on national as much as on all other levels need to be worked on.

- *19th Conference of Regional Leaders of the Working community of Danube Regions (ARGE Donaulaender) and Danube Forum 2009, Linz, Austria (29th of June 2009)*

The yearly conference of the Heads of Regional Governments of the Working Community of Danube Regions provided an opportunity for an in-depth contribution to the emerging strategic development processes of the Danube region. The Heads of the 23 member regions of the Working community made an overview of work of the specialised working groups of the Working Community (in total 7: Culture and Science, Cultural Heritage, Traffic and Shipping, Zoning and Environmental Protection, Economy and Tourism, Youths and Sports, Rural Development) and discussed problems related to the role of regional authorities in the overall development of the Danube region as well as further cooperation possibilities. An overview of international developments within the Danube region and the participation and the role of the Working Community in the Danube-wide emerging processes were also made. The conference supported the idea for a development of a comprehensive Danube Strategy and expressed interest to contribute to its implementation and realisation in the areas concerning inter-regional and trans-national cooperation, especially by further developing its already existing initiatives and projects. On this occasion, the Conference also adopted a declaration called *Sustainably Shaping the Future of the Danube Region*.²

- *IVth European Conference of Danube Cities and Regions, Budapest, Hungary (11th of June 2009)*

The Conference brought together 32 Cities and Urban areas and local authorities from the Danube region. The main focus of this conference was the emerging

² The Minutes and the Conclusions of the Conference are available online at http://www.argedonau.at/neu/aktuell/Tagungsunterlagen/start_f.html (in German language); The text of the Declaration (in English) is available at <http://www.argedonau.at/neu/arge/protokoll/regierung/Protokoll-der-19--Sitzung/Protokoll-der-19--Sitzung.html> (point 22.3).

Danube Strategy and the role of the cities and local/municipal authorities in the framework of the Danube Strategy. One of the main aims of the Conference was the establishment of the *Council of Danube Cities* as a prerequisite for strengthened cooperation structures within the region. The Council would also provide for a stronger lobbying voice for its members in Brussels and especially in view of EU funding and support in the framework of the Danube Strategy. The Conference emphasised the importance of the Danube Strategy as an instrument for consolidation and strengthening of the international structures and the network of Danube countries, necessary to ensure the continued development of the whole region. The Conference was concluded with the signing of a *Final Declaration*.³

In addition to the above, and among others, the following activities and events contributed to new trends and perspectives for the Danube region:

- *Second Meeting of the Parties to the Framework Agreement for the Sava River Basin*, Belgrade, Republic of Serbia (01.06.2009) – where the Parties signed a *Protocol on Prevention of Water Pollution Caused by Navigation*;
- *Ulm Danube Summit*, Ulm, Germany (06.04.2009) – The Summit gathered representatives of states and regions from the Danube area and in support of the activities for development of a Danube strategy was concluded with a *Final Declaration*⁴ on strengthened mutual cooperation for sustainable development of the Danube Region;
- *Smart Rivers Conference* (7-8.09.2009) – where professionals from the public and private sector as well as international organisations and entities discussed various aspects concerning the future sustainable development of rivers, especially having in mind the variety of the needs of their end users as much the sustainability and the maintenance of their own ecosystems;
- *Vth Annual Meeting of the Ministers on the Development of the South East Europe Core Regional Transport Network*, “Common problems – Shared solutions”, Zagreb, Croatia (03.12.2009) – where an overview of progress in the implementation of the Core Regional Transport Network priority infrastructure project shall be made;
- *13th Danube Shipping and Cycling Conference* (02-04.12.2009) – where issues concerning nautical and tourism topics and their importance for the changing international policies within the Danube Region shall be discussed among engaged professionals from these sectors.

It should be also noted that as a result of the various consultations and under the prospect of the elaboration of a comprehensive strategy for the Danube region and the prospect of the establishment of such a unified cooperation area within the

³ The text of the Final Declaration is available online at:
<http://www.donaubuero.de/sixcms/media.php/331/Final%20Declaration.pdf>

⁴ The text of the Final Declaration is available online at:
http://www.donaubuero.de/sixcms/media.php/331/Schlusserklaerung_Donaugipfel_Englisch.pdf

policy framework of the EU, a number of Committees and coordination bodies were established within each Danube country and within the relevant international organisations and entities. Here should be noted the creation of a “Danube area” Inter-regional Group within the EU Committee of Regions in February 2009.

Not less important was the active promotion and presentation of the developing Danube strategy process and perspectives in forums and events of broader and indirect importance to the comprehensive development of the Danube area. In this respect SECI participated in several events organised within the frameworks of other regional organisations such as the Regional Cooperation Council for South East Europe, the Central European Initiative, the Organisation for Security and Cooperation in Europe, the Vienna Economic Forum a/o.

III. Challenges for 2010

Having in mind the policy developments and perspectives from 2009, it is without any doubt that the primary challenge for 2010 shall be preparation and the development of the Danube strategy by the European Commission. 2010 shall offer an opportunity for all stakeholders and interested parties from the Danube countries to actively engage themselves in the shaping of the Danube strategy.

However, 2010 and the development of the Danube strategy shall also offer a chance to learn from the past and establish a more stable framework for cooperation for the Danube region. In this respect, the real challenge in 2010 shall be providing a strategy that shall address and deal with regional, Danube wide issues and shall provide a regional Danube-wide framework to deal with those issues. So far, in almost all the areas of activities several crucial issues have constantly re-emerged on Danube-wide level, such as, among others:

- lack of regional coordination and monitoring structure;
- lack of communication among national authorities working within the same sector, as much as lack of communication among authorities from other sectors or disciplines from other Danube countries;
- lack of interdisciplinary approaches and therefore lack of integrated solutions for overlapping or cross-cutting issues;
- lack of reliable region-wide data and research.

Therefore, removing transnational cooperation obstacles, enhancing information dissemination and awareness-raising at all levels as well as improved inter-institutional and inter-disciplinary dialogue are prerequisites for successful implementation of all cooperation activities and at all levels. Lack of coordination, communication and initiative at Danube-wide level has many times led to impossibility to realise projects of regional relevance for the region. Similarly, lack of communication between the relevant national institutions and bodies as well as scarce information sharing on activities of regional importance, have many times hindered Danube-wide research and through this region wide development

planning, as a consequence of fragmented, uncoordinated and unreliable policy implementations of the Danube countries. It has also many times hindered the active participation of the civil sector and other interest groups in various development processes and, not least, deprived them from access to accurate information and overview of the current status of activities in the Danube region and from a regional, comparative perspective.

In a context in which the Danube is to become the third EU macro-region, a clear macro-regional perspective and macro-regional implementation structure and development path are a must. That would provide the region and its neighbours with a clear message of its potentials and will open the way to a new era of socio-economic impact and growth in this part of Europe and wider.