



---

# Working paper

## SUNICOP 12/2012

Presented in Osijek, Croatia

### Contemporary legal challenges: EU – Hungary – Croatia

### 16-18 February 2012

This working paper is the draft version of the paper presented in the Conference.

Suggested reference of the working paper:

Zsuzsanna Horváth – Branislav Malagurski: Danube Strategy and Cross-Border Region  
Hungary - Croatia: Protecting the Environment and Building Prosperity in the Danube  
Region. Working paper, SUNICOP 12/2012, <http://sunicop.eunicop.eu/publications.html>

**Zsuzsanna Horváth\* - Branislav Malagurski\*\***

## **Danube Strategy and Cross-Border Region Hungary - Croatia: Protecting the Environment and Building Prosperity in the Danube Region**

*“By 2020 the Danube region should offer its inhabitants an improved quality of life, more economic opportunities, more innovative companies creating jobs, a better environment and increased cultural exchanges. Success in the Danube region will contribute to the prosperity of Europe as a whole.”<sup>1</sup>*

### **I. Introduction**

#### **1. Development of the European Union Strategy for Danube Region (EUSDR)**

The EU Danube Strategy has been elaborated within the regional development and territorial cohesion policy of the European Union. This strategy is in line with Article 3 of the Treaty on European Union which sets the aim to “promote economic, social and territorial cohesion, and solidarity among member States”, and with Title XVIII of the Treaty on the Functioning of the European Union on such cohesion policy. The aims of the EU cohesion policy, *inter alia*, are to reduce disparities between the levels of development of the various regions, to strengthen economic, social and territorial cohesion. To achieve this, Art. 175 TFEU requires Member States to coordinate their policies in line with these objectives, and the EU to take into consideration these aims in its other policies and to support their achievements through its Structural Funds.

The focus on the enhanced and wider cooperation between the EU Member States along the Danube became stronger with the accession of Central Eastern European Countries to the EU, since it strengthened the strategic importance of the Danube Region. After joining of 12 new Member States and the preparation of further enlargement in this area, the Danube Region encompasses 8 EU Member States: Germany, Austria, Slovakia, Hungary, Romania, Bulgaria (Danube riparian states), Czech Republic and Slovenia (belonging to the Danube catchment area) and 6 non-Member States: Croatia and Serbia (Danube riparian states),<sup>2</sup> Bosnia and Herzegovina, Montenegro, Ukraine and Moldova (belonging to the Danube catchment area). Thus, the Danube became the central axis of Europe, and the Black Sea became the coastal area of the EU.

---

\* Zsuzsanna Horváth, PhD, associate professor, Department of Public International and European Law, Pécs (Parts I-II), zsuzsanna.horvath@ajk.pte.hu; \*\* Branislav Malagurski, PhD, associate professor, Department of International Law, Osijek (Parts III-IV), [bmalagur@pravos.hr](mailto:bmalagur@pravos.hr)

<sup>1</sup> Welcome words by Johannes Hahn, Commissioner for Regional Policy on 13 April, 2011.

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/11/472&format=HTML&aged=0&language=EN&guiLanguage=en> (11.12.2011)

<sup>2</sup> Croatia has already signed the Treaty of Accession (Brussels, 9 December 2011) their full membership will start on 1 July 2013. Serbia is a potential candidate country.

The Danube- Black Sea Region, the world's most international river basin, contains the most important non-oceanic body of water in Europe. It flows approx. 3000 kms from its source in the Black Forest (Germany) to the Black Sea, covering a fifth of EU surface, with over 100 million people, thus the area is vital for Europe. This is shown by its economic, environmental, social, political and cultural importance: the Danube is a source of drinking water, it is used by agriculture, industry, fisheries, power generation, navigation – transport, it is also an important area for tourism, and recreation. The Danube Region is extremely rich in ecological assets: its wetland areas are habitats for a diversity of plants and animals, and a home of rare and threatened species. This region shares a multitude of different traditions, cultural heritage, historical experiences. The intensive use of the river and the basin itself often resulted in a heavy pollution and waste-water disposal and created severe environmental problems, *inter alia*, loss of biodiversity.

There are other reasons for enhanced development and closer cooperation in this region. In the last decade new challenges have emerged, and opportunities opened. The EU Danube Strategy has to contribute to the objectives of the EU in reinforcing major EU policy initiatives, especially the Europe 2020 strategy for sustainable growth and the EU Sustainable Development Strategy.

There are many international and EU initiatives, programmes and activities to solve economic, social and environmental problems in the Danube Region, cooperation bodies, such as the Danube Commission and International Commission for the Protection of the Danube River have made a considerable progress in environmental issues too,<sup>3</sup> however they address specific issues, their efforts should be further strengthened and integrated. The new EU Danube Strategy intends to widen their approach. The EU Territorial Cooperation includes several cross-border, transnational and interregional programmes under the EU cohesion policy, however, the new EU Danube Strategy constitutes a new type of regional cooperation programme: the so-called macro-regional strategy. “The importance of the Danube Basin for the EU cannot be underestimated... The Danube needs a specific strategy... A one-size-fits all approach doesn't work in an EU of 27 Member States and 271 regions. We need a targeted policy for the Danube that meets its ecological, transport and socio-economic needs.”<sup>4</sup>

The preparation of the EUSDR started in 2009, when the European Council asked the Commission to develop the strategy.<sup>5</sup> During the 2009/2010 preparation phase several public consultations, and consultations with participating countries were held. In this phase the Commission DG REGIO issued a scoping paper which suggested main topics for

---

<sup>3</sup> Zsuzsanna Horváth and Branislav Malagurski, International and EU Law Aspects of Sustainable Development and Environmental Protection in the Danube Catchment Area, in Tímea Drinóczi and Tamara Takács (eds.) Cross-border and EU legal issues: Hungary – Croatia, Pécs- Osijek, 2011, pp. 213, 215-218.

<sup>4</sup> Words of Commissioner Hübner on the open day in October 2008. [http://www.interact-eu.net/danube\\_region\\_strategy/danube\\_strategy/285/3928](http://www.interact-eu.net/danube_region_strategy/danube_strategy/285/3928) (11.12.2011)

<sup>5</sup> Brussels European Council, 18/19 June 2009, Presidency Conclusions, 11225/2/09 REV 2, pp. 12-13.

consultation.<sup>6</sup> In response, a series of stakeholder conferences have been conveyed from Germany through Hungary to Romania, many position papers have been submitted with common concern, expressing common interests and also different national priorities.<sup>7</sup> In 2010 the European Commission drafted the European Union Strategy for the Danube Region, and an accompanying Action Plan,<sup>8</sup> which was adopted by the Council for General Affairs in April 2011 and endorsed by the European Council in June 2011.<sup>9</sup> On 3 February 2011 Commissioner Johannes Hahn designated the Priority Area Coordinators, who will lead the work in 11 priority fields.<sup>10</sup>

## 2. Concept of the macro–regional strategy

There is not yet a standard definition of the so-called macro-regional strategy. The first experimental strategy of this type is the EU Strategy for the Baltic Sea Region, in which 9 states (8 of them are members of the EU) sharing common resources joined to cooperate in order to solve common economic, environmental and social problems of the Baltic Sea Region.<sup>11</sup> According to the Commission, the macro-region is “an area including territory from a number of different countries or regions associated with one or more common features or challenges.”<sup>12</sup> Thus the key words are the common geographic, economic, cultural and other features and challenges that are identifiable.<sup>13</sup> It is an area covering a number of administrative regions with sufficient issues in common to justify a single strategic approach.<sup>14</sup> Accordingly, the macro-regional strategy should be an integrated multisectoral regional strategy, where the territorial cohesion approach is applied, and where “interventions are built around the needs of functional regions rather than according to pre-determined financial and administrative criteria. This form of macro-regional approach also provides the EU with an innovative policy instrument, which could serve as a good example of efforts to achieve common EU objectives and more effective coordination of territorial and sectoral policies based on shared territorial challenges.”<sup>15</sup> Thus, the idea is “to add value to interventions, whether by the EU, national or regional authorities or the third or private sectors, in a way that significantly strengthens the functioning of the macro-region. Moreover, by resolving issues in a relatively small group of countries and regions the way may be

---

<sup>6</sup> Commission, DG REGIO, EU Strategy for the Danube Region, Scoping Paper for the public consultation, REGIO/E1/EN/NV/OB D (2010), Brussels, 2 February 2010.

<sup>7</sup> About the preparation phase and the consultation process see more in Horváth-Malagurski, op. cit. pp. 229-233.

<sup>8</sup> Commission Communication, European Union Strategy for Danube Region, COM (2010) 715, Brussels, 8.12.2010, Commission Staff Working Document, Action Plan, SEC (2010) 1489, Brussels, 8.12.2010.

<sup>9</sup> Council of the European Union, Conclusions, 3083rd General Affairs Council meeting, Brussels 13 April 2011; European Council Conclusions – EUCO 23/1/11 REV 1, 23/24 June 2011, p. 13. The European Council called for the development of further macro-regional strategies, in particular as regards the Adriatic and Ionian region.

<sup>10</sup> [http://www.interact-eu.net/danube\\_strategy\\_news/priority\\_area\\_coordinators\\_designated/293/7830](http://www.interact-eu.net/danube_strategy_news/priority_area_coordinators_designated/293/7830) (28.12.2011.).

<sup>11</sup> Commission, Communication on the EU Strategy for the Baltic Sea Region, COM (2009) 248, 10.06.2009.

<sup>12</sup> [http://www.interact-eu.net/macro\\_regional\\_strategies/macro\\_regional\\_strategies/283/3921](http://www.interact-eu.net/macro_regional_strategies/macro_regional_strategies/283/3921) (12.10.2011)

<sup>13</sup> Macro-regional strategies in the European Union, [http://www.interact-eu.net/downloads/1682/Macro-regional\\_strategies\\_in\\_the\\_European\\_Union.pdf](http://www.interact-eu.net/downloads/1682/Macro-regional_strategies_in_the_European_Union.pdf) (12.10.2011)

<sup>14</sup> EU Baltic Sea Strategy, COM (2009) 248, 10.06.2009, p. 5.

<sup>15</sup> Ibid, pp. 5-6.

cleared for better cohesion at the level of the Union. Working together can become a habit and a skill. In addition, overall coordination of actions across policy areas will very likely result in better results than individual initiatives”.<sup>16</sup>

### **3. Main pillars and characteristics of the EU Danube Strategy**

As a result of the wide consultation procedure it became clear that the strategy has definitely involved not only the EU Member States but Third Countries, including candidate and potential candidate countries; the Commission has to lead the strategy development and implementation process; existing resources should be better used, and the strategy must deliver concrete, visible improvements for the Region. The expectation towards the strategy are: transport interconnections and informatics access have to be modernised to connect people; energy efficiency and security improved; economic development has to be balanced with the protection of the environment and sustainable development; risks and disasters (natural and industrial) have to be minimised; trade and enterprises have to be further developed; education and employment have to be improved and disparities eliminated; the region should become a safe and secure area. The Commission expressed the desired purpose of the EUSDR: “By 2020, all citizens of the Region should enjoy better prospects of higher education, employment and prosperity in their own home area. The Strategy should make this a truly 21st century region, secure and confident, and one of the most attractive in Europe.”<sup>17</sup>

The Commission listed several challenges the Danube Region has to face and many opportunities that can be based on to reach the strategy goal: they refer, among others, to mobility, energy, risks, environmental, socio-economic and security issues. It is emphasized that these challenges could be best addressed together, and making the most of opportunities also requires increased cooperation, planning and implementation together.

Similarly to the EU Baltic Region Strategy, the EU Danube Strategy groups the major issues in four pillars:

- A. Connecting the Danube Region (to improve mobility and multimodality through inland waterways, road, rail and air links; to encourage more sustainable energy; to promote culture and tourism);
- B. Protecting the environment in the Danube Region (to restore and maintain the quality of waters; to manage environmental risks; to preserve biodiversity, landscapes and the quality of air and soils);
- C. Building prosperity in the Danube Region (to develop the knowledge society, research, education, information technologies; to support the competitiveness of enterprises; to invest in people and skills);
- D. Strengthening the Danube Region (to set up institutional capacity and cooperation; to work together to promote security and tackle organised and serious crime).

---

<sup>16</sup> [http://www.interact-eu.net/macro\\_regional\\_strategies/macro\\_regional\\_strategies/283/3921](http://www.interact-eu.net/macro_regional_strategies/macro_regional_strategies/283/3921) (12.10.2011)

<sup>17</sup> Commission, EUSDR, COM (2010) 715, op. cit. p. 3.

The Action Plan attached to the EUSDR lists several actions within each pillar and priority field. The Action Plan is an indicative framework, which will be evolved and extended further during the implementation phase, as the work progresses. Coordination of each priority area is allocated to a Priority Area Coordinator.<sup>18</sup> They are responsible for making the Strategy operational; they will lead the implementation by agreeing a work programme and identifying sources of finance. They will work in close contact with the Commission and with all the other stakeholders: Member States, other countries, regional and local authorities, inter-governmental and non-governmental organisations and bodies, etc.

It is emphasized that the EU Danube Strategy is built on the involvement and efforts of all the stakeholders, the Commission will be responsible for the coordination assisted by the High Level Group of all Member States, where Non-Member States will also be invited. The Commission will organise Annual Forums to discuss the work and necessary revisions of actions, furthermore, it will report and evaluate progress regularly, in partnership with Priority Area Coordinators.

It was clear from the beginning – as the characteristics of the macro-regional strategies – that the EUSDR will not provide any new EU funds. It can rely on additional national, international, regional or private funds, although the emphasis is on the better and more efficient use of existing funds. They are available within the framework of e.g. EU Structural Funds, IPA funds or the Western Balkan Investment Framework, and other international financing mechanisms. Similarly, the EUSDR requires any changes to EU legislation, since the EU adopts legislation for the EU 27 and not for the macro region alone, and not for Non-Member States. The last “no” is that the EUSDR creates no additional structures; the implementation will be done through existing bodies, who will act in a complementary character.<sup>19</sup>

In order to reinforce the integration of the whole region the EUSDR intends to support the implementation of EU policies and legislation. It will contribute to the Europe 2020 which is the EU Strategy for smart, sustainable and inclusive growth.<sup>20</sup> The priorities of the EUSDR are in line with the headline targets of the new EU growth strategy in relation to employment, innovation, research and development, climate change and energy objectives, education, and social inclusion issues. The EUSDR is aimed also at fostering the European Union Sustainable Development Strategy<sup>21</sup> goals with its priorities in environmental protection, nature conservation, biological diversity, climate change, energy and other fields. It also contributes to policy objectives in the area e.g. of single market, transport, energy, environmental protection, external relations – especially cooperation with third countries in the Danube river basin. Although the EUSDR has a primarily internal character – as for the integrity of the EU decision-making - participation of third countries is crucial to achieve its objectives. The necessary links between the EUSDR and other EU policies are emphasized

---

<sup>18</sup> Priority Area coordinators were designated and announced by Johannes Hahn, Commissioner for Regional Policy in Budapest in February 2011. For Hungarian and Croatian responsibilities see point II. 3. of this article. For the complete list see at [http://www.interact-eu.net/pacs/priority\\_area\\_coordinators/470/8953](http://www.interact-eu.net/pacs/priority_area_coordinators/470/8953) (11.12.2011).

<sup>19</sup> Commission, EUSDR, COM (2010) 715, op. cit. p. 12.

<sup>20</sup> Commission Communication, EUROPE 2020, A strategy for smart, sustainable and inclusive growth, COM (2010) 2020, Brussels, 3.3.2010.

<sup>21</sup> Commission Communication, Mainstreaming sustainable development into EU policies: 2009 Review of the European Union Strategy for Sustainable Development, COM (2009) 400, Brussels 24.7.2009.

also by the Council: it asked the Commission to take its objectives into account in relevant policy initiatives and programmes.<sup>22</sup>

## **II. Protecting the Environment in the Danube Region**

### **1. Environmental issues in the pre-EUSDR phase**

The strategic and environmental importance of the Danube and the Black Sea Region has already been emphasized by the Commission ten years ago. In its 2001 Communication the Commission gave an overview of the environmental situation and the environmental cooperation activities there. It listed the main environmental problems which affected the Danube River ecosystems: high nitrogen and phosphorous loads from agriculture, industry and domestic sources; extensive water consumption by the agriculture and industry, lack of integrated planning and water management; an overexploitation of surface and groundwater; contamination with hazardous substances; accidental pollution; degradation and loss of wetlands and biodiversity. The Commission urged for regional cooperation by all the countries concerned and international organisations working in the region in order to prevent further deterioration and enhance the status of the aquatic ecosystems, to promote sustainable water use, to enhance protection and improvement of the aquatic environment, to ensure the progressive reduction of pollution and to contribute to mitigating the effects of floods and droughts.<sup>23</sup> For the preparation of the EUSDR, in its Scoping Paper the Commission listed three specific questions for consultation: 1) connectivity and communication; 2) protection of the environment and 3) reinforcement of socio-economic, human and institutional development. Environmental protection issues covered: preservation of water resources; improvement of quality of air and soils (including waste); biodiversity and landscapes; natural risks (floods and droughts); and mitigation and adaptation to climate change.<sup>24</sup>

### **2. Environmental priorities of the EU Danube Strategy**

The second B pillar, of the EU Danube Strategy concerns environmental protection issues. However, this pillar cannot be seen in isolation from the other pillars and priorities, first of all from the first A pillar, which includes questions of transport (inland navigation), energy efficiency, encouragement of the use of renewable energy resources, environmental effects of land transport and tourism.<sup>25</sup> The importance of the environmental pillar is emphasized by the Commission when it calls for a balance between development and protection of the environment “within a sustainable development approach, in line with the environmental

---

<sup>22</sup> General Affairs Council, Conclusions, 3083rd meeting, Brussels 13 April 2011, p. 2.

<sup>23</sup> Commission Communication on Environmental co-operation in the Danube – Black Sea Region, COM (2001) 615, Brussels, 30.0.2001. pp. 1-24.

<sup>24</sup> Commission, DG REGIO, EU Strategy for the Danube Region, Scoping Paper, op. cit. p. 4.

<sup>25</sup> Importance of traffic development, environmental and nature protection, and the sustainability of the EUSDR are emphasized by Attila Pánovics, Environmental Aspects of the EU Danube Region Strategy, Európai Tükör, No. 2011/1, pp. 75-78.

*acquis communautaire* as applicable”, and for working together to minimise risks and disasters such as floods, droughts and industrial accidents.<sup>26</sup> Within the challenges and opportunities listed by the Commission many concern environmental issues. Since the Danube Region is a major international hydrological basin and ecological corridor, and since water and air pollution does not respect national borders, common solutions must be found, which requires a regional approach to nature conservation, spatial planning and water management. This is also true for fighting against major flooding, droughts, and industrial pollution. The Commission emphasizes that environmental resources in the Region - which are under growing pressure from human activity - are shared across borders and go beyond national interests, thus, a high degree of cooperation and information sharing is required.

The three main priorities of the EUSDR environmental pillar are the followings:

- To restore and maintain the quality of waters

The Danube region has many important tributaries, lakes and groundwater bodies, where a good water quality should be ensured, sustainable water management and reducing pollution from organic, nutrient and hazardous substances is required. These tasks should be done through the implementation of the EU Water Framework Directive and the joint River Basin Management Plan adopted jointly by all Danube States in 2009.<sup>27</sup>

- To manage environmental risks

Disastrous events such as floods, droughts and industrial accidents having significant transnational negative impacts became more frequent in the last some years. Preventive and management measures should be taken jointly through regional cooperation, since isolated national actions cannot produce the required results, “simply displaces the problem and puts neighbouring regions into difficulty”. The implementation of EU directives, e.g. on floods, mining, waste or on environmental liability is of importance in this field.

- To preserve biodiversity, landscapes and the quality of air and soils

The Danube Region is not an exception to the general loss of natural habitats and biodiversity. The EUSDR list some causes, e.g. intensive land use, urban development, fragmentation of ecosystems. To halt the loss of biodiversity and ecosystems by 2020 is required by the EU, this target is endorsed by the EUSDR, as well as objectives of the EU Natura 2000 project. Concrete and concerted actions are also needed to protect soils from erosion which causes water pollution, and to manage waste disposal properly. The EUSDR contains concrete targets, e.g. to achieve targets set out by the Danube River Management Plan, to reduce the nutrient levels in the Danube River which helps to recover ecosystems of the Black Sea, to

---

<sup>26</sup> Commission, EUSDR, COM (2010) 715, op. cit. p. 3. It should be noted that the Action Plan to the EUSDR emphasizes that “All actions should be understood without prejudice to the existing EU competences and requirements of the EU *acquis*.” Commission, Action Plan to the EUSDR, op. cit. p. 3.

<sup>27</sup> See more in Horváth-Malagurski, op. cit. pp. 218-224.

implement the flood risks management plans, to draw up management plans for all Nature 2000 sites; to reduce the area affected by soil erosion, to protect certain fish species, etc.<sup>28</sup>

The Action Plan accompanied to the EUSDR lists several concrete actions to each priority field, and examples of projects within these actions. In relation to water quality for example, an action is to implement fully the Danube River Basin Management Plan, and another is to greatly strengthen the cooperation at sub-basin level, examples of projects within these actions are: to complete and adopt Danube Tributaries' River Basin Management Plans, and to complete and adopt a Management Plan for the Danube Delta. Other important actions in this priority field are to promote alternative collection and treatment of waste to reduce polluting discharges into rivers; to develop cooperation between authorities responsible for agriculture and environment to prevent agricultural pollution; to adopt legislation to avoid the use of phosphates in detergents; to use the newest technology and BAT in treating hazardous substances and contaminated sludge; to promote measures to limit water abstraction, etc.

To manage environmental risks, the Action Plan refers *inter alia*, to climate change, floods, droughts, forest fires, erosion, water scarcity, and industrial risks issues. It calls for the development of a Danube Adaptation Strategy in the nearest future. Actions listed in this area concern the development of a single, overarching floods management plan at basin level; to extend the European Floods Alert System to the whole Danube River basin, to continuously update the existing database of accident risks spots; to foster transnational cooperation in order to develop a Climate Change Adaptation Strategy for the Danube Region, etc.

Within the third priority area - the preservation of biodiversity, landscapes and the quality of air and soils – the Action Plan considers the compliance with EU environmental legislation crucial in the improvement of the environment in the countries of the Danube Region. It emphasizes that the natural heritage of the Danube Region is of European importance since it contains a large share of Europe's remaining wilderness areas and rich cultural landscapes, which are under growing pressure due to the rapid industrial, transport and agricultural development. There are several actions already included in the Joint programme of Measures of the Danube River Basin Management Plan prepared by the ICPDR. The Action Plan proposes actions which will be complementary to the already existing ones. Examples are: to contribute to the 2050 EU vision and 2020 EU target for biodiversity; to manage Natura 2000 sites and other protected areas effectively; to develop green infrastructure in order to connect different bio-geographic regions and habitats; to decrease the input of pesticides into the environment of the Danube Region; to prepare and implement transnational spatial planning and development policies for functional geographical areas (river basins and mountain ranges, etc); to ensure appropriate treatment of solid waste; to create standardised and compatible information on land cover on transnational basis; to raise awareness about soil protection; to decrease air pollutants; furthermore, other actions to educate people on the value of natural assets, ecosystems and the services they provide, including awareness raising of the general public and capacity building of local authorities in the environment related matters. Examples

---

<sup>28</sup> Commission, EUSDR, COM (2010) 715, op. cit. pp. 8-9.

of proposed projects here are: to establish fully the Mura-Drava-Danube Biosphere reserve; to identify and protect old growth forests of the Danube Basin; to promote the conservation of the genetic pool and gene bank cooperation along the Danube; to develop the Alpine-Carpathian (wildlife) Corridor; to implement transnational spatial development plans; to implement the strategy for soil protection; to use various databases to establish critical loads of air pollutants for the Danube region ecosystems (causing acidification, eutrophication and ozone formation effects).<sup>29</sup>

### **3. National priorities and objectives in Hungary and in Croatia**

#### **a) Hungarian priorities within the EUSDR**

The overwhelming part of the preparation of the Danube Strategy was completed under the Hungarian EU Presidency in the first half of 2011. The adoption of the strategy was within the main goals of Hungary, therefore it undertook a key coordinating role. The idea behind the high priority given the EUSDR is expressed by the Hungarian Presidency “The Danube is the artery of Hungary, flowing across its heart. Without its pulsation, life would be unthinkable in this area. It brings and gives what nourishes and takes what is harmful. But it can and does bring damage too, and it sometimes washes away our essential needs. We both love and fear this calm and capricious mighty power, which can be used wisely but cannot be foolishly harnessed without serious consequences, which we must protect and be protected against at times, and which has been with people in this land for thousands of years now.”<sup>30</sup> Indeed, Hungary is the sole country along the Danube with its total territory belonging to the Danube catchment area. In the three Hungarian contribution papers submitted to the preparation of the EUSDR the following horizontal aspects were emphasized: strengthening the territorial cohesion of the Danube region; moderating the social, economic and environmental consequences of climate-change; promoting the unified EU market; promoting development and innovation. The strategic priorities for Hungary are: strengthening the safety of the Danube region, sustainable economic development; strengthening cooperation and identity in the Danube region.<sup>31</sup>

The outstanding priority for Hungary is a coordinated water management: the concept of ‘responsible water governance’ which means to reconcile several contradictory interests in order to preserve strategic water reserves, to satisfy demand for water (drinking, industrial, transport, regional, etc., including water demand in the ecosystem) and to maintain satisfactory water quality. The Danube Strategy can be a good example of integrated water

---

<sup>29</sup> Commission, Action Plan to the EUSDR, op. cit. pp. 34-53.

<sup>30</sup> [http://www.eu2011.hu/files/bveu/documents/DUNA\\_EN\\_web.pdf](http://www.eu2011.hu/files/bveu/documents/DUNA_EN_web.pdf) (28.12.2011). The idea can also be expressed by the words of the famous Hungarian poet, Attila József who wrote that the Danube is “past, present and future” and whose “waves are all-embracing in a soft caress” („At the Danube”).

<sup>31</sup> See Hungarian contributions, strategy papers to the EUSDR, and a chart summarizing priorities at [http://www.mfa.gov.hu/kum/en/bal/foreign\\_policy/duna\\_strategia/magyar\\_jovokep\\_es\\_celrendszer.htm](http://www.mfa.gov.hu/kum/en/bal/foreign_policy/duna_strategia/magyar_jovokep_es_celrendszer.htm) (29.12.2011.).

management, with the achievement of the environmental objectives of the EU Water Framework Directive, including the implementation of common policies on floods, drought and climate risk management, rural development, agricultural and tourism development along the Danube. The concept also covers creation of infrastructures which ensure the availability of water reserves, water storage and distribution systems, and prevention of water damage. Since Hungary has one of the largest stocks of sub-surface fresh water in the Carpathian Basin, the conservation of this supply is of great importance, thus, bilateral cooperation is crucial in water management, which should be supported in the EUSDR.

Besides the development of sustainable transport and ensuring the navigability of the Danube, the other high priority for Hungary is an improvement in the security of energy supply and in energy saving, integration and development of energy systems and mitigation of the negative effects of climate change. Hungary supports the regional network integration, the New European Transmission System (NETS – unified gas network), the Nabucco gas pipeline, and the development of liquefied natural gas (LNG) capacity in the Adriatic. Hungary would like to have access to supplies from the future LNG terminal in Croatia, and supports the modernisation of the Friendship oil pipeline and the construction of the North-South gas link, furthermore, the operation of an electrical network between Hungary and Croatia.

Hungary considers it necessary to increase the use of renewable energy sources, in particular the capacity for bio-energy production (biomass, biogas, bio-fuels) and the use of geothermal energy as widely as possible, furthermore, to increase the energy efficiency of buildings and to reduce the energy use of transport.<sup>32</sup> According to the designation of priority area coordinators, among the 11 priority areas, Hungary will be responsible for three priorities: to encourage more sustainable energy (with Czech Republic); to restore and maintain the quality of waters (with Slovakia); and to manage environmental risks (with Romania).<sup>33</sup> On 20 July 2011 an agreement between Hungary and the European Investment Bank was declared, according to which a Danube Contact Point would be established in Budapest which would have a coordinating role in the implementation of the EUSDR, especially in the utilization of financial resources.

## **b) Croatian priorities within the EUSDR**

Within the preparatory phase of the EUSDR the Croatian contribution – non-paper – Croatia welcomed and fully supported the idea of creating an integrated European transnational approach, the Danube Strategy. Croatia expressed its fundamental approach to the strategy: the equal partnership, which it considered as a prerequisite to its successful implementation. This means a “balanced development of all the states of the Danube River Basin, which is an

---

<sup>32</sup> See Hungary’s 3rd contribution to the development of the Danube Strategy, op. cit. pp. 3-8.

<sup>33</sup> [http://www.interact-eu.net/pacs/priority\\_area\\_coordinators/470/8953](http://www.interact-eu.net/pacs/priority_area_coordinators/470/8953) (11.12.2011.).

endeavour that requires their full engagement”<sup>34</sup>. Croatia also considers its involvement an excellent opportunity and an added value in its Euro-integration process, in its accession to the European Union.<sup>35</sup>

Due to its geographic position, Croatia can give an additional dimension to the Danube Strategy: it can be considered as a ‘bridge’ between the Danube and the Adriatic (Mediterranean) areas, which is important for the development of trade, transport and tourism activities of the Danube region. Drava and Sava, the two main rivers of Croatia are tributaries of the Danube with their rich natural assets that have to be protected.

The main priorities of the Croatian Danube area are: the development of intermodal transport and effective connecting of the Danube region with the Adriatic coast; increasing economic competitiveness – development of entrepreneurship, tourism and modernisation of agriculture; environmental protection, risk prevention and development of renewable energy resources; human resources development. Among the proposed projects many concerns the environmental protection priority, such as: revitalisation of Drava-Sava waterway, flood prevention, improvement of ecological network and nature protection measures and conditions, development of satisfactory agricultural structure, development of energy supply.<sup>36</sup> There are well preserved wetland areas along the Croatian Danube area with rich biological diversity and natural assets, which are at the same time important hydrological resources. Leisure and health tourism activities are to be further developed in this area.

Another priority is waste management where Croatia has already complied with relevant EU legislation.

Within the integrated water management the main goal is to provide sufficient quantity and quality of drinking water, and the necessary quantities of water for economic purposes.

In the area of biodiversity, Croatia’s priority is to prevent, first of all habitats and species in its numerous Natura 2000 sites from negative effects of economic activities, e.g. navigation, traffic, tourism, and so on. Cooperation between Croatia and Hungary is of importance in the realisation of the Mura-Drava Regional Park as a reservation area.

In the area of climate change Croatia’s main aim is to improve cooperation and joint actions in the Danube region in order to mitigate the effects of climate change, to prevent the accompanying harmful consequences (floods and droughts), and to implement adjustment measures. Equally important here the establishment and implementation of a joint strategy for soil protection.

Croatia’s efforts to ensure secure and sustainable energy supply are closely connected to environmental priorities. The use of renewable energy resources is one of Croatian priorities, for which it has favourable conditions. Croatia wants to improve regional cooperation in

---

<sup>34</sup> Non Paper - Croatia’s Priorities and Cooperation in the Danube Region, [http://ec.europa.eu/regional\\_policy/archive/consultation/danube/doc/countries/hr\\_non\\_paper\\_en.doc](http://ec.europa.eu/regional_policy/archive/consultation/danube/doc/countries/hr_non_paper_en.doc) (29.12.2011.).

<sup>35</sup> On 9 December 2011 Brussels, the EU and Croatian leaders signed Croatia's EU Accession Treaty. Subject to necessary ratifications Croatia will become the 28th Member State of the European Union on 1 July 2013. <http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/11/883> (29.12.2011.).

<sup>36</sup> Non Paper - Croatia’s Priorities and Cooperation in the Danube Region, op. cit. pp. 3-4.

specific projects to interconnect energy, tourism, environmental protection and other sectors. The development of sustainable agriculture, forestry, fisheries as well as sustainable industrial development and tourism need to integrate environmental requirements. Croatia has an outstanding tourism potential which should be exploited through joint strategies and cooperation with other countries within the Danube region.<sup>37</sup>

Croatia is designated as a coordinator country for two priority areas: to preserve biodiversity, landscapes and the quality of air and soils (with Germany - Bavaria), and to support the competitiveness of enterprises (with Germany - Baden-Württemberg).<sup>38</sup>

On 26 May 2011 in Niederalteich, Bavaria, Joint Declaration by the country representatives responsible for the coordination of the Pillar 'Protecting the Environment in the Danube Region' of the EU Strategy for the Danube Region was signed to start the cooperation for the implementation of the environmental pillar of the EUSDR.<sup>39</sup>

### **III. Building prosperity**

The Pillar C, building prosperity in the Danube Region, as a part of the EUSDR, includes various aspects focused towards the development of the knowledge society, research, education, information technologies, the support to the competitiveness of enterprises and the investment in people and skills. Its focus covers three Priority Areas: (1) To develop the knowledge society through research, education and information technologies; (2) To support the competitiveness of enterprises including cluster development; and (3) To invest in people and skills (education and training, labour market and marginalized communities).<sup>40</sup>

The EUSDR and its Action plan do not foresee particular fund for the implementation of the Strategy. However, EU programmes contribute to this pillar.<sup>41</sup> The European Economic and

---

<sup>37</sup> Ibid, pp. 7-11.

<sup>38</sup> [http://www.interact-eu.net/pacs/priority\\_area\\_coordinators/470/8953](http://www.interact-eu.net/pacs/priority_area_coordinators/470/8953) (11.12.2011).

<sup>39</sup> See the Joint Declaration by representatives of relevant Bavarian, Croatian, Romanian, Slovakian and Hungarian Ministries in the Priority Areas: restoration and maintenance of the quality of waters, management of environmental risks, preservation of biodiversity, landscapes and the quality of air and soils, signed in Niederalteich, May 26, 2011. By signing the Joint Statement the first step was made towards achievement the objectives of the Strategy. Joint Statement represents an important basis for effective cooperation in the field of environmental protection in the Danube region. <http://zastita-prirode.hr/eng/Projects-International-Cooperation/International-Cooperation-and-European-Union/Activities/EU-Strategy-for-the-Danube-Region-Priority-Area-6-to-preserve-biodiversity-landscapes-and-the-quality-of-air-and-soils/Joint-Declaration-by-the-country-representatives-responsible-for-the-coordination-of-the-Pillar-Protecting-the-Environment-in-the-Danube-Region-of-the-EU-Strategy-for-the-Danube-Region>. (30.12.2011.).

<sup>40</sup> Commission, Action Plan to the EUSDR, op. cit. p.55.

<sup>41</sup> This relates in particular to: the 7<sup>th</sup> Research Framework Programme, the Instrument for Pre-Accession Assistance (IPA) National, Cross-border Cooperation and Multi-beneficiary country programmes, several programmes of the European Neighbourhood and Partnership Instrument (ENPI) (such as the Regional programmes or the Cross-border Cooperation Programmes), the European Agriculture Fund for Rural

Social Committee in its working documents particularly addressed Structural Funds, countries in the region, private sector and international financial institutions.<sup>42</sup> Europe 2020, the EU Strategy for smart, sustainable and inclusive growth supports such approach.<sup>43</sup>

## **1. To develop the knowledge society through research, education and information technologies**

The Priority Area 7, within the Pillar C, building prosperity in the region, relies in the first line on development of knowledge society, where research, education and information technologies play a decisive role. A society's ability to create and exploit knowledge is a key factor for progress and growth. The European Innovation Progress Report classifies some countries in the Region as "innovation leaders", or "catching up innovators".<sup>44</sup> Studies on researchers' mobility (students, graduates and higher education staff) show south-east European countries at a disadvantage compared to other EU countries, especially in international research mobility, as well as in the ability to attract bilateral R&D cooperation.

The application of information and communication technology may particularly advance growth in the Danube region.<sup>45</sup> To stimulate excellence in research and development, cooperation between knowledge providers, companies and the public sector should be enhanced and incentives for stronger cooperation developed. Centres of excellence were presented on the first meeting of Priority area 7 coordinators, while exchange of PhD students and promoting the efficient use of existing research infrastructure should be used for set up of a network to serve that purpose.<sup>46</sup> A better coordination of national and regional funds is needed to stimulate research and development in the Region and to benefit fully from the European Research Area. This is in accordance with the attitude of the European Commission that resources need to be concentrated. Clearer objectives will lead to more impact and better results. By spending more effectively more can be achieved with the same resources.<sup>47</sup> The use of cross border and international networks should be advantageous for such objectives.

---

Development (EAFRD), the European Fisheries Fund (EFF) and the Competitiveness and Innovation Programme. More recently, for the countries of the Western Balkans, additional efforts have been made to better coordinate and blend instruments for grants and loans via the Western Balkans Investment Framework (WBIF).

<sup>42</sup> European Economic and Social Committee, Working Document of the Section for Economic and Monetary Union and Economic and Social Cohesion on The European Union strategy for the Danube region, ECO/277 – R/CESE 587/2010, p.6.

<sup>43</sup> Commission, EUROPE 2020, op.cit., p.20.

<sup>44</sup> Commission, Action Plan to the EUSDR, op. cit. p.58.

<sup>45</sup> The private and public sectors could progress rapidly, to provide services more effectively and efficiently, for example through e-government, e-business, e-education and e-health, or through intelligent co-modal use of transport infrastructure supported by technologies such as river information service systems or e-freight. Ibid, p.58.

<sup>46</sup> More details on this meeting held at the University of Novi Sad on 22 06 2011 on <http://www.dunavskastrategija.rs/en/?s=137> (28 12.2011)

<sup>47</sup> European Commission DG Regional Policy, Information and Communication Plan 2012, See on [http://ec.europa.eu/dgs/regional\\_policy/document/complan\\_2012.pdf](http://ec.europa.eu/dgs/regional_policy/document/complan_2012.pdf) (14 01 2012)

These networks can be borrowed from various programs and projects that have been already implemented in order to achieve different goals.<sup>48</sup>

The Action plan has proposed a number of actions in line with several pillars of the Digital Agenda for Europe, especially pillars n°4 on 'Fast and ultra fast Internet access', n°5 on 'Research and Innovation', n°6 'Digital literacy, skills and inclusion' and n°7 on 'Information and Communication Technologies' - enabled benefits for the EU society.<sup>49</sup> These actions are defining various measures to be undertaken in order to achieve specific objectives of this Priority Area, as well as to give examples of projects to be drawn. For example, Action - "To coordinate better national, regional and EU funds to stimulate excellence in research and development, in research areas specific for the Danube Region" give an example of project "To create a Danube research area through coordination of funds", or Action - "To develop and implement strategies to improve the provision and uptake of Information and Communication Technologies in the Danube Region" gives examples of projects "To build upon the existing projects to promote the Information Society in lagging or in rural areas", "To build upon the existing projects to promote the Information Society for SMEs", and "To provide ICT based training for the general public, especially for prioritized target groups such as low-income, elderly or disabled".<sup>50</sup>

## **2. To support the competitiveness of enterprises, including cluster development**

The Priority Area 8 within the Pillar C, building prosperity in the region covers the support to competitiveness of enterprises, in particular integration of SMEs through cluster development. This because the integration of SMEs is the precondition to become receptive to transfer of technologies and organizational models developed by Academia and large enterprises.

To draw the full benefits from the Danube region's growth potential and to support the competitiveness of sectors, framework conditions need to be improved and made more coherent. Among the possibilities to achieve this, the development of clusters and centres of excellence should be fostered and cluster cooperation across borders and across sectors should be facilitated. Through centres of excellence and clusters the links to education and research policy should be established. Existing cluster mapping studies conducted in the Danube region through numerous other European initiatives should be exploited and built on.<sup>51</sup> To

---

<sup>48</sup> UNESCO supports various global networks including those in the field of education, research, development (See related to the network UNESCO-UNEVOC on [http://www.unevoc.unesco.org/wiki.0.html?&no\\_cache=1&tx\\_drwiki](http://www.unevoc.unesco.org/wiki.0.html?&no_cache=1&tx_drwiki), (14 01 2012) or the network UNITWIN on <http://www.unesco.org/en/unitwin/university-twinning-and-networking> (14 01 2012). On the other hand in Europe there are a number of active networks in the field of education and research, including those that link together EU and non-EU member states, Universities, other education and research institutions ( related to SEE-ECN network see on [http://www.see-educoop.net/portal/id\\_nodes.htm](http://www.see-educoop.net/portal/id_nodes.htm), (14 01 2012) or WBC-INCO.NET see on [www.wbc-inco.net](http://www.wbc-inco.net) (14 01 2012)

<sup>49</sup> Commission, Action Plan to the EUSDR, op. cit. pp.59-62.

<sup>50</sup> Ibid, pp 59-62.

<sup>51</sup> Commission, Action Plan to the EUSDR, op. cit. p. 64.

improve the conditions for enterprises, especially SMEs, the institutional capacities of business support agencies and industry associations should be strengthened throughout the Danube region.<sup>52</sup> An additional way to improve the existing trade links among companies in the Danube region however suggest a large potential for future growth and economic integration, if barriers for doing business across borders could be brought down and existing rules could be simplified.

Priority Area 8 also includes a number of actions, with indicative projects. Action “To foster cooperation and exchange of knowledge between SMEs, academia and the public sector in areas of competence in the Danube region”, with examples of projects “To develop a Danube region programme for clusters and SME networks”, “To utilise better the performing, heritage and cultural assets of the Region by developing strengths in the creative, cultural, entertainment and tourism industries”, and “To establish a Danube region network for innovative environmental technologies”. Further action “To support enterprises through high performing training and qualification schemes”, with the project “To develop joint programmes for professional education and vocational training together with enterprises”, and action “To eliminate cross border barriers and bottlenecks to people and business - Seamless Europe for a livable Danube region.”<sup>53</sup> The mentioned projects are only indications, and their further development and drawing the new projects by stakeholders will add to them more concrete idea and proposals. Initial coordinators meeting have shown directions in which they are going to be developed.<sup>54</sup> Since the primary goals of this Priority Area activities are to support the EU integration and the “Europe 2020” Strategy for intelligent, sustainable and inclusive growth, the main actions are to foster cooperation and exchange of knowledge between SMEs, Academia and the public sector, to improve business support to strengthen the capacities of SMEs through cooperation and trade and all enterprises through high performing training and qualification schemes, to improve rural areas, in particular agriculture sector, eliminate cross border barriers and bottlenecks to people and business and framework conditions for SMEs in areas where competitive infrastructure is missing.<sup>55</sup> The particular devices for the integration are identified, such as activities on formation of clusters along Danube riverside in food and processing industry (organic food, green industry and metal processing), as well as service industry (tourism, other services).<sup>56</sup>

---

<sup>52</sup> Ibidem, p.64.

<sup>53</sup> Commission, Action Plan to the EUSDR, op. cit. pp. 64-68.

<sup>54</sup> After initial coordination meetings in Germany and Romania, it was held a conference in Zagreb on 15 12 2011, where the up to date developments in frames of Priority Area 8 have been summarized. DANUBE STRATEGY – An Impetus for Strengthening Regional Cooperation between Croatia, Hungary and Serbia, Zagreb, 15.12.2011, see on [http://ec.europa.eu/regional\\_policy/conferences/od2011/Open-Days-FTP-2011/docs/607-12B14-Dragica\\_Karaic\\_European\\_Union\\_Strategy\\_for\\_Danube\\_Region\\_-\\_Bruxelles.pdf](http://ec.europa.eu/regional_policy/conferences/od2011/Open-Days-FTP-2011/docs/607-12B14-Dragica_Karaic_European_Union_Strategy_for_Danube_Region_-_Bruxelles.pdf) (14.01.2012)

<sup>55</sup> Karaic, Dragica, European Union Strategy for Danube Region, Priority Area 8: To Support the Competitiveness of Enterprises, including Cluster Development, Zagreb, 2011, [http://ec.europa.eu/regional\\_policy/conferences/od2011/Open-Days-FTP-2011/docs/607-12B14-Dragica\\_Karaic\\_European\\_Union\\_Strategy\\_for\\_Danube\\_Region\\_-\\_Bruxelles.pdf](http://ec.europa.eu/regional_policy/conferences/od2011/Open-Days-FTP-2011/docs/607-12B14-Dragica_Karaic_European_Union_Strategy_for_Danube_Region_-_Bruxelles.pdf), slides 2, 3 and 4. (14.01.2011)

<sup>56</sup> Karaic, op.cit., slide 9.

### **3. To invest in people and skills**

Through Pillar C, Priority Area 9, investment into better use of its human capital, the Danube region can progress and grow in a smart and inclusive way. To make use of the full potential of the labour force and to fight poverty, the Danube region's labour market also needs to be more inclusive. Regarding equal opportunities between men and women, inequalities are more pronounced in upper parts of the Region than in lower parts.<sup>57</sup> This analysis calls for actions across a whole range of fields, education, labour market, integration, research and innovation should be mutually reinforcing.

The particular measures of this Priority Area include action “To enhance performance of education systems through closer cooperation of education institutions, systems and policies”, with example of project “To support sustainable education reforms in the Danube region”, action “To foster cooperation between key stakeholders of labour market, education and research policies in order to develop learning regions and environments”, action “To support the mobility of workers, researchers and students through implementing the European Qualification Framework”, with example project “To enhance capacities of key stakeholders in education, science and research” and other.<sup>58</sup>

The capacity building is indispensable on all levels, whether individual, organisational, regional, national or macro-regional. It should include developing key competencies and organisational skills, promotion of innovative partnerships, and governance in the regional/national context.<sup>59</sup> This means that within the pillar C, as well in other pillars, priority areas should be in harmony with efforts to develop the Danube region. All these efforts contribute to the achievement of objectives of Europe 2020 which is the EU Strategy for smart, sustainable and inclusive growth.<sup>60</sup>

### **4. National Plans and Measures in Hungary and in Croatia**

#### **a) Hungarian priorities within the Pillar C**

Hungary has not put the focus on Pillar C priority areas related to the EUSDR, but it is rather oriented towards the water management and infrastructural issues.<sup>61</sup> However, in its contribution to the EUSDR as one of its strategic priorities Hungary has mentioned the sustainable economic development of the region, which includes sustainable development of

---

<sup>57</sup> Commission, Action Plan to the EUSDR, op. cit. p. 69.

<sup>58</sup> Commission, Action Plan to the EUSDR, op. cit. pp. 70-73.

<sup>59</sup> Ibidem, p. 69.

<sup>60</sup> Commission, EUROPE 2020, op.cit. pp. 4, 16.

<sup>61</sup> See Hungarian priorities, in point II. 3. a) of this Article.

tourism and improving the industrial conditions.<sup>62</sup> Further, the development of knowledge based society, competitive economy and investment into skills is key instrument for rural development, rendering assistance to the economy through local power sources and by the establishment of a creative economy.<sup>63</sup> It also mentions scientific clusters and research filed cooperation.<sup>64</sup> However, these actions belong to Priority Areas of Pillar C only through Priority Areas A and B. This does not mean that Hungary does not participate in all other Priority Area activities, including those of Pillar C. For example, it is active participant of the Priority Area 8. - Support the Competitiveness of Enterprises, Including Cluster Development.<sup>65</sup>

## **b) Croatian priorities within the Pillar C**

Croatia is one of the coordinators of Priority Area 8, to support the competitiveness of enterprises including cluster development.<sup>66</sup> This Priority is included in its Non Paper, describing priorities for cooperation in the Danube region.<sup>67</sup> Among the projects proposed by Croatia, to pillar C are contributing clusterization and export incentives (Priority Area 8), projects for the transfer of know-how and technology and new technological solutions that are to contribute to the specialisation, clusterisation and creation of the climate conducive to foreign investment (Priority Area 8) and strengthening of the network of universities and colleges (Priority Area 7).<sup>68</sup>

Related to the Priority Area 8, as the coordinator, Croatia has participated in two Steering Committee meetings (in Germany, June 2011 and in Romania, December 2011).<sup>69</sup> On the Zagreb Conference in December 2011, the debate stressed the relevance of the human capital and exchange of good practices and knowledge in implementation of the EUSDR. Furthermore, the issues of institutional paradox have been discussed in the light of potential trilateral cooperation mechanisms within the DS.<sup>70</sup> As this Conference related to the trilateral

---

<sup>62</sup> Hungarian contributions, strategy papers to the EUSDR , pp. 9 and 10. See on [http://www.mfa.gov.hu/kum/en/bal/foreign\\_policy/duna\\_strategia/magyar\\_jovokep\\_es\\_celrendszer.htm](http://www.mfa.gov.hu/kum/en/bal/foreign_policy/duna_strategia/magyar_jovokep_es_celrendszer.htm) (14.01.2012.)

<sup>63</sup> Ibidem, p. 10.

<sup>64</sup> Hungarian Ministry of Foreign Affairs and Ministry of National Development and Economy, European Danube Region Strategy – Hungary II. contribution , 30 4 2010, [http://www.mfa.gov.hu/NR/ronlyres/AD5437132324445B958F6B523E856185/0/0\\_EDRS\\_INTRODUCTION\\_30042010.pdf](http://www.mfa.gov.hu/NR/ronlyres/AD5437132324445B958F6B523E856185/0/0_EDRS_INTRODUCTION_30042010.pdf) (14.01.2012.)

<sup>65</sup> See the Panel presentation from the Zagreb Conference, 15 12 2011, DANUBE STRATEGY - An Impetus for Strengthening Regional Cooperation between Croatia, Hungary and Serbia, [http://opendays.eu/fileupload/2011/docs/60712B14Dragica\\_Karaic\\_European\\_Union\\_Strategy\\_for\\_Danube\\_Region\\_-\\_Bruxelles.pdf](http://opendays.eu/fileupload/2011/docs/60712B14Dragica_Karaic_European_Union_Strategy_for_Danube_Region_-_Bruxelles.pdf) (14 01 2012)

<sup>66</sup> See on [http://www.interact-eu.net/pacs/priority\\_area\\_coordinators/470/8953](http://www.interact-eu.net/pacs/priority_area_coordinators/470/8953) (15.01.2012).

<sup>67</sup> Non Paper - Croatia's Priorities and Cooperation in the Danube Region, op. cit. p. 4.

<sup>68</sup> Ibidem, p. 4.

<sup>69</sup> Zagreb Conference introductory presentation, slide 7, see on [http://opendays.eu/fileupload/2011/docs/60712B14Dragica\\_Karaic\\_European\\_Union\\_Strategy\\_for\\_Danube\\_Region\\_-\\_Bruxelles.pdf](http://opendays.eu/fileupload/2011/docs/60712B14Dragica_Karaic_European_Union_Strategy_for_Danube_Region_-_Bruxelles.pdf) (14 01 2012)

<sup>70</sup> Zagreb Conference Panel "Strengthening the Danube region through cross-border and transnational cooperation between Croatia, Hungary and Serbia", see on <http://www.imo.hr/files/report-danube-strategy.pdf> (15 01 2012)

cooperation of Hungary, Croatia and Serbia, it has been integrated Croatian and Hungarian attitudes related to cross-border and international cooperation, that refers to Priority Area 8 (to foster cooperation and exchange of knowledge between SMEs, academia and the public sector, to improve business support to strengthen the capacities of SMEs for cooperation and trade, to support enterprises through high performing training and qualification schemes, to prioritise the effective implementation of measures provided for under the Small Business Act for Europe - SME Policy Index 2011, to improve the competitiveness of rural areas and in particular of the agriculture sector, to improve framework conditions for SMEs in areas where competitive infrastructure is missing, entrepreneurship as a key competence in education.<sup>71</sup> These actions and projects proposed in cooperation with cross-border partners give an incentive to participants to contribute to the development of scientific and economic activities in the Danube region creatively.

#### **IV Conclusions**

The implementation of the EUSDR, as a macro-regional strategy, and its Action plan has recently started, and there are only few steering committee meetings in each Priority Area behind us. The networking of various institutions around the EUSDR has occurred, and now the integrated activities in frames of four pillars, i.e. eleven priority areas, are expected to serve EU regional development and territorial cohesion policy objectives in the Danube region. It also contributes to the objectives of Europe 2020 Strategy and of the EU Sustainable Development Strategy. EUSDR is well prepared, coordinators of priority areas have been nominated and the activities have been started. The present paper gives an insight into the activities of two pillars: Protecting the environment in the Danube region (B) and Building prosperity in the Danube region (C).

As the Pillar B, protecting the environment in the Danube region is concerned, the first conclusion is that all three priority areas, to restore and maintain the quality of waters, to manage environmental risks and to preserve biodiversity, landscapes and quality of air and soil are not only interconnected within the Pillar B, but also with priority areas of other pillars, in particular the Pillar A, where questions of transport, energy efficiency, and use of renewable energy resources have a strong impact on the environmental issues. It also necessarily has an interaction with the Pillar C, as it includes economic development matters, where economic development and environmental protection activities have strong mutual impact. Further, the actions mentioned by the Action plan, with examples of projects focus on water quality, strengthening of the cooperation at sub-basin level, promotion of alternative collection and treatment of waste to reduce polluting discharges into rivers, development of cooperation between authorities responsible for agriculture and environment to prevent agricultural pollution; management of environmental risks, to climate change, floods, droughts, forest fires, erosion, water scarcity, and industrial risks issues; the preservation of

---

<sup>71</sup> Zagreb Conference Panel, op. cit., slides 3 and 4.

biodiversity, landscapes and the quality of air and soils are crucial for the improvement of the environment in the countries of the Danube region. Hungarian priorities cover all priorities of this Pillar. Croatian priorities within this Pillar are environmental protection and risk prevention, in particular as related to the revitalisation of Drava-Sava waterway, flood prevention issues and the improvement of ecological network and nature protection measures.

As far as conclusions related to the Pillar C, building prosperity in the Danube region is concerned, it can be stressed that initial actions of coordinators and Steering Committees on Priority Areas are encouraging. This Pillar includes in its activities three groups of participants (education and research, private sector and public sector), in an integrative way to interconnect actions and projects contributing to the development of the Danube region. One set of tools for the integration can serve numerous already existing networks, which helps to link together various stakeholders, necessary for the more successful achievement and more effective utilization of results within the EUSDR.

A certain inertia could be felt in the activities of the of earlier ICPDR and Danube Commission activities, which concentrated mainly on infrastructural, environmental and logistics (navigation-transportation) issues, and on direct actions concerning infrastructural, water management and environmental issues on the Danube. Therefore, it is very important to have a focus on research and economic development issues within the framework of the EUSDR, i.e. Priority Areas 7 and 8. Only new and creative solutions, reached through cooperation of Academia and Business, with the support of public sector can substantially increase competitiveness and support the prosperity of the Danube region. In addition, actions and projects integrating stakeholders from Academia and Business communities and giving them an incentive to develop and spread their clusters throughout the region, can adequately contribute to the dissemination of new solutions to existing problems of economies of the region. That includes dissemination and spread of knowledge and technologies from north-west, a more developed part of the region, towards south-east. South-east part of the region can also contribute to the achievement of common objectives, where the cooperation of Croatia and Hungary in actions of Priority Areas 7 and 8 can be of substantial help. Further, Priority Area 9, investment into people and skills, in a way to renew their knowledge, i.e. retrain them, or to include marginalized groups into common effort to build prosperity, will also add value to the results of research, creative work and better competitiveness of economies of Danube region. Croatian priorities in this Pillar relate to fostering cooperation and exchange of knowledge between SMEs, academia and the public sector, to improvement of business support to strengthen the capacities of SMEs for cooperation and trade, including high performing training and qualification schemes, improving of framework conditions for SMEs in areas where competitive infrastructure is missing.

The Pillar C itself is innovation oriented, as it represents the efforts to include vast scientific and business community of the Danube region into its development towards the better prosperity.