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ANNEX

**1. INTRODUCTION**

**1.1. Budget line**

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**1.2. Legal Basis**

Preparatory Action within the meaning of Article 54(2)(b) of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002.

**1.3. Policy context**

The EU Strategy for the Danube Region has been endorsed by the European Council in 2011. This Strategy proposes a cooperation framework and an Action Plan for the 14 countries of the Danube Region (9 EU Member States<sup>1</sup> and 5 non EU Member States<sup>2</sup>). The implementation of the Strategy is done by the countries themselves. The Commission acts as a facilitator.

**1.4. General objectives of the preparatory action**

The preparatory action aims at facilitating the implementation of the EU Strategy for the Danube Region.

The resources allocated to this preparatory action - EUR 2 000 000 - will be used to support the establishment of economic and social cooperation in the macro-region, contributing to further integration and reconciliation of the participating nations in a practical way. It will support:

- the communication, exchange of experience and capitalisation of results among the main stakeholders and ensure continuous political commitment through the organisation of three Annual Fora in 2016, 2017 and 2018 with a total amount of EUR 700 000
- The facilitation of access to funding: EUR 1 300 000 will be used to support the preparation or implementation of transnational projects of relevance for the Danube Region. Such support is crucial to initiate complex projects with a strategic impact, and to build partnerships in a transnational environment. Special consideration will be given to:
  - Strategic projects with connections and/or spill-over effects in the territory covered by the EU Strategy for the Adriatic and Ionian Region, with five out of its eight participating countries being also part of the EU Strategy for the Danube Region.
  - Neighbouring countries (Moldova and Ukraine)

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<sup>1</sup> Germany, Austria, Hungary, Czech Republic, Slovak Republic, Slovenia, Croatia, Bulgaria, Romania.

<sup>2</sup> Serbia, Bosnia and Herzegovina, Montenegro, Moldova, Ukraine.

## 2. ACTIONS/ TYPE OF FINANCIAL INTERVENTION

### 2.1. Annual Fora in 2016, 2017 and 2018

Under Article 190 (1) (f) of Delegated Regulation (EU) No 1268/2012 grants may be awarded without a call for proposals for actions with specific characteristics that require a particular type of body on account of its technical competence, its high degree of specialisation or its administrative power, on condition that the actions concerned do not fall within the scope of a call for proposals, duly substantiated in the award decision.

Direct grants will be awarded to the governments of Slovakia, Hungary and Bulgaria which hold the technical competence and administrative power for the organisation of the Annual Fora in 2016, 2017 and 2018 respectively. The three governments will consecutively take over the Rotating Presidency of the European Strategy for the Danube Region – Slovakia in 2016, Hungary in 2017 and Bulgaria in 2018 – and are therefore entrusted with the organisation of the respective Annual Forum. These decisions were taken in the framework of the Strategy during the National Coordinators Meeting of 23/04/2015 and 24-25/06/2015. The Annual Forum hereby is a big conference with many panels, workshops and side events organised by the country holding the Rotating Presidency for a big audience including all relevant stakeholders. It provides a platform for communication, exchange of experience and capitalisation of results among the main stakeholders and to ensure continuous political commitment.

The maximum possible rate of EU co-financing is 95%. 5% co-financing will be provided by the governments of Slovakia, Hungary and Bulgaria respectively. The volume of **each of the three grants** may vary according to each concept paper and work plan of the governments. A preliminary estimation for each of the three grants is: EUR 230 000 for Bulgaria, EUR 235 000 for Slovakia and EUR 235 000 for Hungary.

The grant agreements are foreseen to be signed in the first quarter of 2016 for Slovakia and in the second quarter of 2016 for Hungary and Bulgaria.

As the pre-selected beneficiaries are public bodies, the Commission, in accordance with Article 131(3) FR, waives the verification of their operational capacity following a risk analysis.

Two award criteria are to be applied for the evaluation of the proposal: a) relevance of the proposal with the objectives of the Strategy and b) efficiency.

The indicative budget: EUR 700 000
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### 2.2. Access to funding: Seed Money for Danube projects

Under Article 190 (1) (f) of Delegated Regulation (EU) No 1268/2012 grants may be awarded without a call for proposals for actions with specific characteristics that require a particular type of body on account of its technical competence, its high degree of specialisation or its administrative power, on condition that the actions concerned do not fall within the scope of a call for proposals, duly substantiated in the award decision. The Strategy, endorsed by the Council, is implemented through twelve Priority Areas, each of which is coordinated by two Danube countries or regions. These are called Priority Area Coordinators (named PACs below). The Strategy's Priority Area 10 "To step up institutional capacity and cooperation" has horizontal tasks for the implementation of the Strategy, in the sense that it serves all other Priority Areas, including on the facilitation of the preparation of transnational projects. The task of PAC 10 in capacity building and institutional cooperation is crucial for contributing to the ability of project promoters to 1): design and conceive projects in a way that they contribute to the goals of the Strategy and, 2) implement the projects successfully.

The assistance will therefore be implemented through a grant to PAC of PA 10 which belongs to the City of Vienna.

EUR 1 300 000 will be used to support the preparation or implementation of transnational projects which contribute to the objectives of the European Strategy for the Danube Region and to support the establishment of economic and social cooperation in the macro-region, contributing to further integration and reconciliation of the participating nations in a practical way. It will facilitate the preparation, implementation and capitalisation of concrete projects through activities such as tailored expertise to project holders to facilitate the initial phase of transnational projects, and through more efficient and effective ways to coordinate different funding instruments in the Danube Region.

Such support is crucial to initiate complex projects with a strategic impact, and to build partnerships in a transnational environment. Special consideration will be given to:

- Strategic projects with connections and/or spill-over effects in the territory covered by the EU Strategy for the Adriatic and Ionian Region, with five out of its eight participating countries being also part of the EU Strategy for the Danube Region.
- Neighbouring countries (Moldova and Ukraine)

Particular attention will be given to

- training programmes and seminars for young people with the aim of emphasising the common regional identity of the Danube macro-region nations
- improving and further developing new solutions for handling expertise by means of accessible common platforms and project information, including building networks.

The maximum possible rate of EU co-financing is 97%. 3% co-financing will be provided by the City of Vienna.

As the pre-selected beneficiaries are public bodies, the Commission, in accordance with Article 131(3) FR, waives the verification of their operational capacity following a risk analysis.

Two award criteria are to be applied for the evaluation of the proposals: a) relevance of the proposal with the objectives of the Strategy and b) efficiency.

The indicative budget: EUR 1 300 000
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### **3. TOTAL BUDGET**

EUR 2 000 000

### **4. INDICATIVE CALENDAR FOR PROCEDURES**

Procedures for the action under 2.2 will be launched after the adoption of the modifying financing decision. No grant agreement will be signed before. Indicative timetable for signature of these grant agreements is mid-2016.