



The Danube Region Transport Days

Existing financing mechanisms and future solutions for the Danube Region

Government of Serbia

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Key messages

- From day one of the Danube Strategy there are some limitations concerning financing
- Danube MS and non-EU MS are not in equal position (allocation and scope of funds)
- Non-EU MS cannot rely exclusively on IFIs financing due to the public debt limitations
- Future solutions are "simple"

Some general limitations



- The Danube Strategy has been adopted when many Programmes were already approved
- Clear definition of criteria for the Danube Strategy projects does not exist
- Funds for the Danube Strategy priorities are limited, especially in the non-EU Member States
- In some countries bodies in charge for management of funds are not adequately involved in the Danube Strategy

Some practical limitations

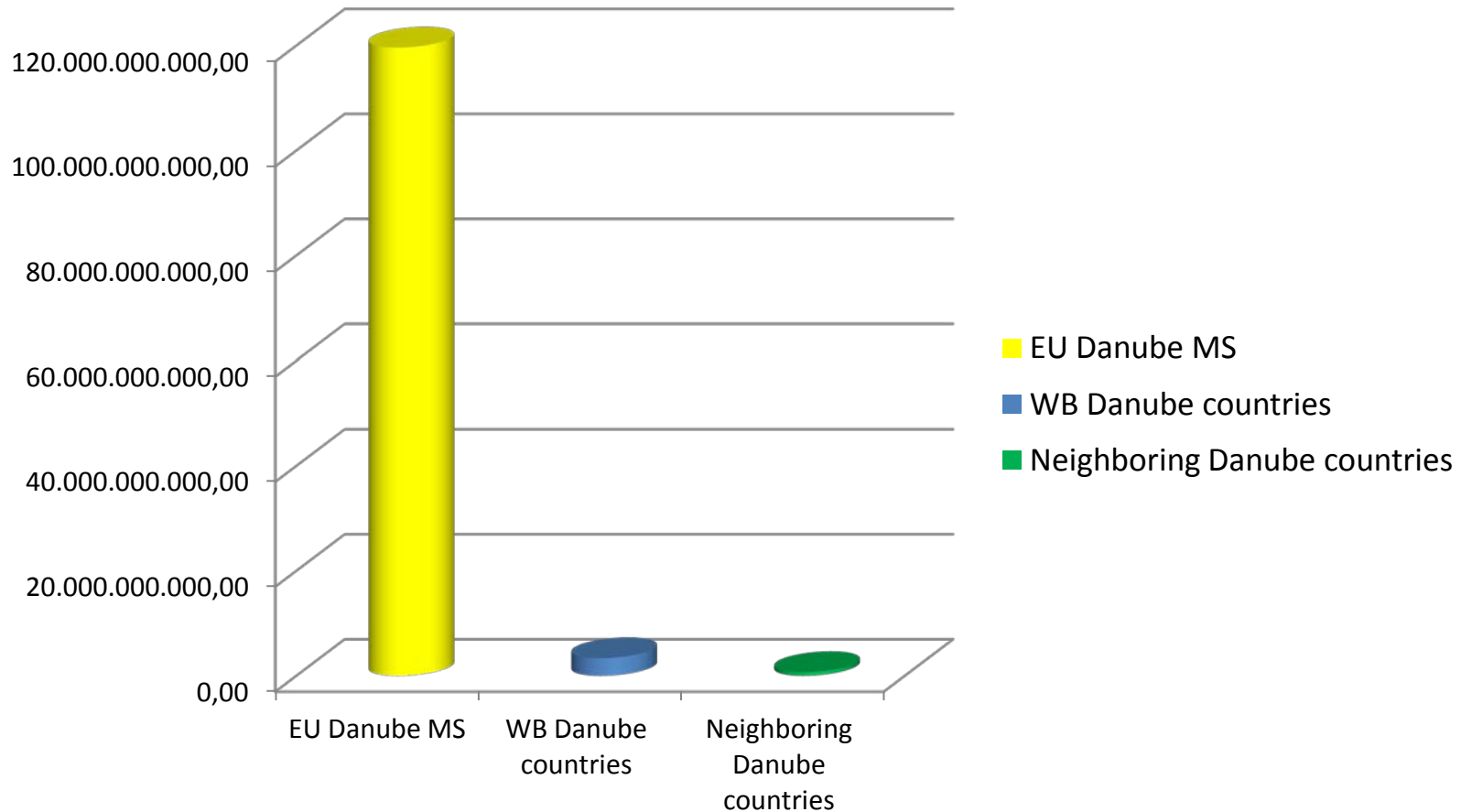


- We all support regional cooperation/projects, but do we have a (implementable) plan(s)?
- Maturity of projects is constant problem
- Different legal and regulatory requirements in the countries are affecting effectiveness of project implementation
- In some countries reform of public companies is still ongoing/pending



Allocation of funds

A difficult comparison



Scope of instruments



Structural funds and Cohesion funds	IPA for candidate countries	IPA for potential candidate countries	ENPI
<p>2007-2013: 119.6 billion euro (Danube countries)</p>	<p>2007-2013: 2.29 billion euro (Danube countries)</p>		<p>2007-2013: 703.7 million euro (Danube countries)</p>
<p>ERDF: transport, environment, energy efficiently, SMEs, innovation, ICT, territorial cooperation ESF: employment, education, social cohesion Cohesion fund: transport, environment, energy efficiently</p>	<p>IPA I: institution building IPA II: cross-border cooperation and transnational cooperation IPA III: transport, environment and competitiveness IPA IV: employment, education and social inclusion IPA V: rural development</p>	<p>IPA I: institution building IPA II: cross-border cooperation and transnational cooperation</p> <p>Note: Measures similar to IPA III, IV and V can be financed through IPA I</p>	<p>Political dialogue and reform, legislative and regulatory approximation, rule of law and good governance, regional and local development, environmental protection, poverty reduction, health, education, cross-border cooperation</p>

Scope of instruments



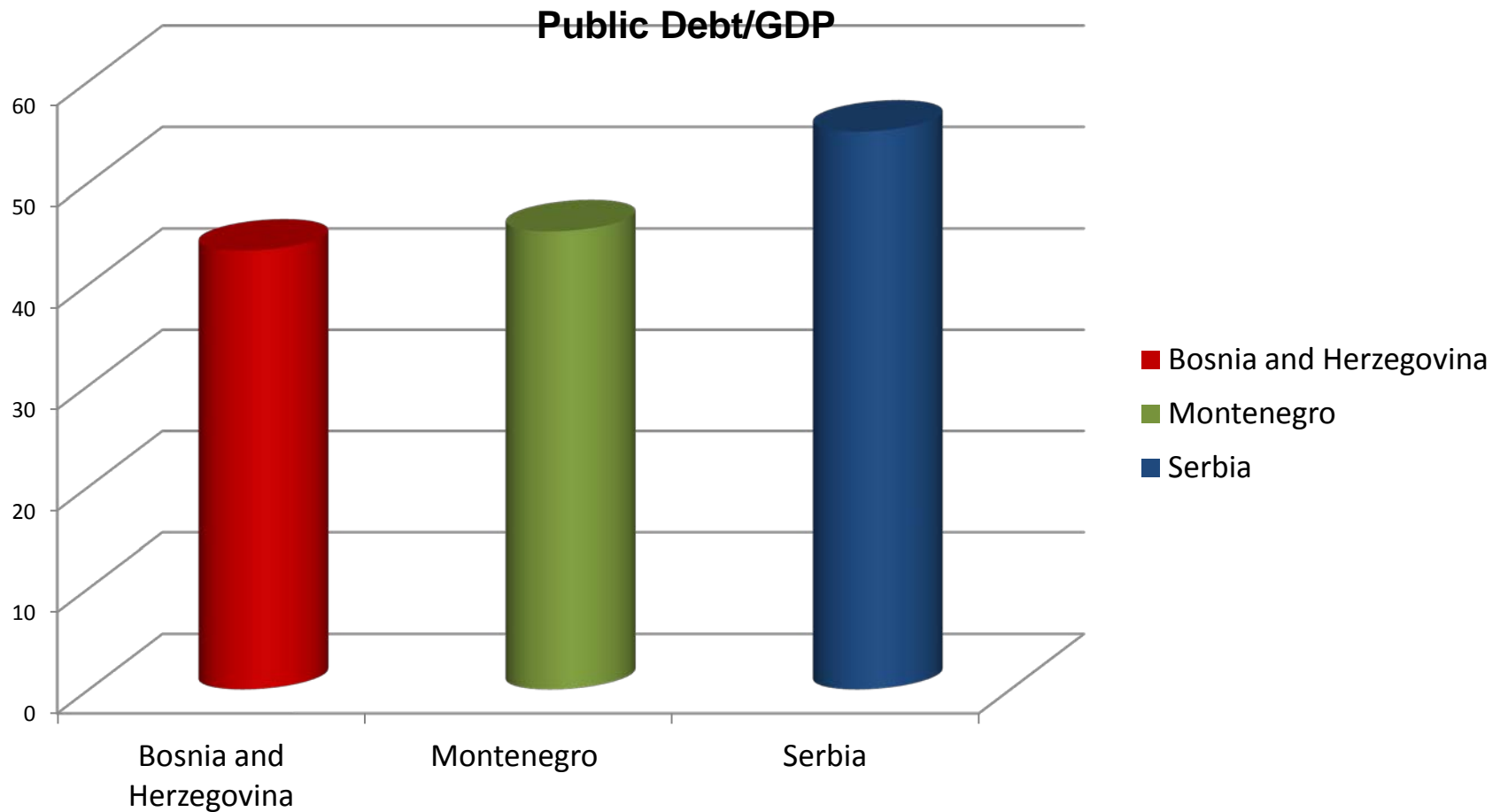
- ERDF and Cohesion Fund gives more opportunity for development projects
- IPA and ENPI national projects represent combination of reform and development projects
- Cross Border Cooperation Programmes enhance regional cooperation but they should be more used to boost some larger projects/reforms (e.g. project preparation)

Western Balkan Investment Framework (WBIF)



- WBIF pools resources from the EU, IFIs and bilateral donors
- Ensures provision of finance and technical assistance for strategic investments for infrastructure development, energy efficiency and private sector development by blending grants and loans principle
- There is a large space for improvement of the WBIF 2014-2020 with focus on regional initiatives

Public debt limitations





Future solutions: programming

- The Danube Strategy priorities should be reflected in the programming process 2014 – 2020
- Profiling of the Danube Strategy identity through clear definition of criteria for the Danube Strategy projects and their selection
- We should ensure concentration of available funding to key priorities and projects with proven impact
- Pipeline of mature projects is of crucial importance

Future solutions: financing



- It is necessary to explore possibilities and modalities for the creation of the Danube trans-national programme 2014-2020
- Blending of available resources should be enhanced
- In some countries institutions dealing with management of funds should have a greater role
- Possible development of innovative financing mechanisms for implementation of regional initiatives or usage of not so explored financing modalities (PPPs)
- Danube non-EU MS should have access to the Connecting Europe Facility 2014-2020



Danube non-EU MS should have access to the Connecting Europe Facility 2014-2020

- Connecting Europe Facility is **€50 billion worth programme** of investment to improve Europe's transport, energy and digital networks
- Acceleration of the infrastructure development in some cases directly depend on **investments made outside of the EU MS**
- **Leaving Danube non-EU MS out of the Connecting Europe Facility cannot bring satisfactory results** in full implementation of the Danube Strategy
- Some of the **potential EU/Serbia win-win projects** related to the Danube Strategy that could fit to the Connecting Europe Facility:
 - Reconstruction and modernisation of Railway Line Corridor Xb (€665 million)
 - River training works and dredging the riverbed on critical sectors of the Danube River in Serbia (€70 million)
 - Interconnection with Bulgaria Gas Transmission Pipeline (€60 million)
 - Reconstruction of Djerdap locks (€80) etc.



Thank you for your attention

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