The Danube Region Transport Days
Existing financing mechanisms and future solutions for the Danube Region

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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

- EU Danube MS
- WB Danube countries
- Neighboring Danube countries
## Scope of instruments

<table>
<thead>
<tr>
<th>Structural funds and Cohesion funds</th>
<th>IPA for candidate countries</th>
<th>IPA for potential candidate countries</th>
<th>ENPI</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007-2013: 119.6 billion euro (Danube countries)</td>
<td>2007-2013: 2.29 billion euro (Danube countries)</td>
<td>2007-2013: 703.7 million euro (Danube countries)</td>
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**ERDF:** transport, environment, energy efficiently, SMEs, innovation, ICT, territorial cooperation  
**ESF:** employment, education, social cohesion  
**Cohesion fund:** transport, environment, energy efficiently

**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

**Note:** Measures similar to IPA III, IV and V can be financed through IPA I

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

We are not in equal position
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
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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