

PA2 "To encourage more sustainable energy" targets

1. To help to achieve the national targets based on the Europe 2030 climate and energy targets
2. To remove existing bottlenecks in energy to fulfil the goals of the Energy Union within the Danube Region
3. To better interconnect regions by joint activities with relevant initiatives and institutions

Background

According to the DTP Cooperation Programme, one of the actions to support the governance and implementation of the EUSDR is the establishment of a seed money/project development fund facility. This instrument is meant to provide support to strategic projects in the thematic fields of the Strategy. Small scale financial assistance is available for EUSDR-relevant project ideas – regardless the financial instrument to be addressed with the project developed, be it national, mainstream EU, transnational or cross border or by any other public or private investor (such as IFIs) or public-private partnership.

The result of this facility is to reach increased capacities in the regions for the development of complex strategic transnational projects contributing to the EUSDR. This definition considers the type of common projects that are supported by the DTP: complex – projects which are comprehensive of different actions/activities meant to address wide scopes; strategic – relevant for the Danube area, where the relevance is linked to core needs expressed by the Danube countries and endorsed by the MC; transnational – the effect of the project should go beyond the local/national need and address the wider Danube area in a macro-regional approach.

The legal framework behind this facility is linked with the compliance to all EU regulations relevant at DTP level and above all to the DTP Cooperation Programme rules.

In the past Monitoring Committee (MC) meetings, the MC agreed on the following provisions related to the SMF first call:

- Seed money project should be composed of three compulsory outputs:
 - Analysis of needs and challenges
 - Main project plan
 - Report on funding possibilities
- 1st call available amount: 1,500,000.00 EUR of EU funds
- Lump sum based (amount still to be defined by the DTP) – no need of submitting invoices, not based on real costs

- Project duration: 12 months
- No progress reports requested during the implementation
- The first seed money call will address all EUSDR Priority Areas, with a certain focus to be decided by the end of 2016 by each PA (e.g. by concentrating on specific targets/topic)
- All types of available funds should be considered as future financing (including national funds), provided that a clear transnational impact is ensured
- At this stage, all potential stakeholders should be eligible beneficiaries of the seed money projects
- Preference in having the amount of the seed money distributed per each PA, out of which the best projects per PA will be selected (based on a quality threshold)

Further to these decisions, the DTP requirements will lead the call.

- Partnership following the Lead Partner principle: a leading institution among different partners (minimum two), which will take the responsibility to sign the subsidy contract with the MA/JS
- Simplification
 - Use of electronic monitoring system
 - Simplified costs option (lump sum)
 - Simplified procedures (avoiding reporting)
- Correlation of the content of the three outputs
- Evaluation of the quality of the three outputs before payment

The above decisions will need to optimise the amount allocated and the human resources and timing needed to carry out the tasks. Wider topics in each PA are expected to generate a higher number of proposals to be submitted. As a consequence, the assessment process would involve a higher number of staff and an increased amount of time, just to reach the result of selecting around three projects per PA, for an overall number of around 40 projects.

Therefore, all PA are requested to restrict the number of topics to be addressed by the first SMF call in a more effective way.

Structured questions

In consideration of the above background, which would allow a maximum number of around 40 projects to be approved (to be divided per priority, therefore around three projects per priority), and taking into account the experience of previous seed money calls (e.g. START, Baltic, etc.), the

number of topics to be addressed by this first SMF call shall be as targeted and streamlined as possible. Furthermore, when deciding on the topics to be addressed by the seed money call, each PA should take into consideration the possible financing resources still available in 2019.

Despite the limited number of targets, PA2 has indeed targets with a wide scope that would increase the potential number of submitted SMF proposals (because of the diverse topics to be addressed), without concretely benefitting from the actual result (only 3-4 projects would be approved).

To support the PA2 Steering Group members in finding a number of targeted topics, the DTP MA/JS outlined a list of questions that might generate a constructive and structured discussion in this direction.

1. Out of the defined targets, is it possible to identify the main direction?
2. For the identified main direction, is there a recent urgent need of action on specific topics?
 - a. Are there topics not addressed so far?
 - b. Are there topics where (progress in) actions are lagging behind?
 - c. Out of the addressed topics, which ones are still relevant to be addressed?
3. Out of the selected topics, which financial resources will still be available in 2019/2020?
4. Out of the selected topics, which one(s) can generate projects with transnational impact going beyond national borders?
5. Out of the finally listed topics, which ones might have a stronger and immediate contribution to achieving some of the PA target(s)?