

Hungary's contribution to the development of the Danube Strategy

General Approach

Economic co-operation in Central Europe has existed for many centuries. Over time, co-ordinated solutions have proven to be the most productive way of tackling challenges experienced in a given region. Hungary believes the main aim of creating a Danube macro-region is to establish a regional forum for the affected communities. In addition, Hungary feels that the different parties should not only be structured based on interests, but also based on a set of strong community values with European significance.

- Hungary believes that the Union creates value through the establishment of macro-regions and the formation of their strategies, and it **opens new and more efficient perspectives for co-operation**, which have great importance in a Europe-wide context also.
- This task is two-fold. On the one hand, the Member States and the regions bordering the Danube have to develop macro-regional strategies and provide them with content. On the other hand, the EU Institutions and the Member States have to define the scope of the term 'macro-region', as well as its future role, its consistency with the EU's regional development policies and its compliance with common European interests.
- The Danube macro-region as a development unit can contribute evaluatively to the reduction of disparities within the development of EU regions, and in a way not previously employed. This creates the occasion and the opportunity for the states along the Danube to **co-ordinate their long term development policies** with macro-regional relevance.
- The Hungarian position is that it is vital for the Central European region to **form closer links to the regional partners engaged in their accession process to the European Union**. This strategy also provides a unique opportunity for the whole Union – especially the Member States along the Danube – to stabilise their political and economic co-operation with the Balkans, and thus contribute to the expansion and consolidation of the European integration processes in the region.
- Therefore the Danube Strategy should be adopted and implemented as **European policy in a wider sense** which – through direct, operationally defined aims – can create important added value in further EU enlargement and in the Union's Eastern European policy. An essential condition for the creation of a true Danube Strategy is participation in defining and implementing macro-regional objectives from those countries scheduled for imminent accession (e.g. Croatia), and those on the verge of accession agreement
- **The achievement of synergy between the two macro-regional initiatives, the Baltic Strategy and the Danube Strategy** must be set as the other equally important goal for

Central European co-operation. It is justified to harmonise the main objectives of the two strategies in respect of challenges faced by the wider region – for example, in the field of security, energy, or transport infrastructure. If the Baltic and the Danube Strategies are implemented as long-term development strategies, the results could be substantial and go far beyond the original objectives. The importance of the co-operation is also underpinned by the fact that there are countries (Germany, Poland) which are actively involved in establishing both macro-regions.

- Fundamentally, the Danube Strategy is based on the experiences of the Baltic Strategy, but co-operation between countries bordering the Danube is not without precedent. Between 1998 and 2002 the “Little Danube Co-operation” (including Hungary, Austria, Bavaria and Baden-Württemberg) was developed. One of the outcomes of this co-operation was the creation of the German-speaking Andrassy University. The co-operation’s main objectives were to boost education, training, research and development and tourism, and to strengthen Central and Eastern European regional policy. Based on this successful co-operation, **the current activities and projects should be extended to education, research and development, and cultural areas as well.**
- With the creation of macro-regions it is **not intended to create new borders in addition to existing ones.** From a pan-European point of view, both the Baltic and the Danube Strategy have symbolic significance. The significance is symbolic because it clearly shows that the **interdependence** of individual states is growing in an age of globalisation. There are many issues that cannot be solved within the borders of a country competing with others, so the value of cross-border co-operation, and local and regional links is increased.

II. Objectives

1. A liveable Danube region

The objective of a liveable Danube region is to reduce or eliminate the regional disparities between the development of different parts of the region.

There is clear economic interdependence between the region's countries. Economic and resource fundamentals, environmental priorities and certain development plans encourage countries to co-operate at regional level.

- It is in the partners' primary to treat these objectives as a priority along with **adapting the objectives set out in the EU2020 Strategy.** Conformity with EU2020 objectives ensures that the actions of the Danube Strategy are in line with European development trends, which will thereby be reinforced.
- Both the EU2020 strategy and the strategies of macro-regions **have to assist in recovering from the European economic crisis.** Regional co-operation should aim to achieve growth

and prosperity. According to this strategic aim, development priorities should be reviewed, and if necessary, **Hungary will realign its economic development programmes and structural resources.**

- **Green economic development and investments** are promising areas of economic growth. A programme based on this approach combines a concern for the effects of climate change with a response to the challenges of increasing energy costs and unemployment. With **green technologies and ecological modernisation** – such as increased energy efficiency or improving the quality of waste water treatment, waste management, recycling, etc. – development in the region can become sustainable and the economy's negative environmental impacts can be reduced. This presents an opportunity for the region's small and medium-sized enterprises to launch new initiatives, and to make innovative investments.
- It is an objective for Hungary that an **environmentally aware approach** prevails in the day-to-day decision-making processes relating to the Danube Strategy, in both the private and public sector. One of the project's main objectives is that co-operation along the Danube strengthens to deal with such major environmental challenges as resource sustainability, the ecological use of water resources, facilitating sustainable agriculture and food safety. A desired result is increased **population retention in rural areas.**
- The concept of a liveable Danube region must accommodate the exercise of the Four Freedoms, given that this is a **precondition for cross-border co-operation with respect to persons, enterprises and services.** In order to truly realise these objectives at macro-regional level – i.e. in the countries involved in the Danube Strategy – it **is necessary to eliminate the real obstacles to freedoms**, in terms of the economy (SMEs, research and development), infrastructure (the interconnection of energy networks, sustainable mobility, open borders) and culture.
- **The Strategy therefore aims to improve the region's economy and competitiveness, and thus the prosperity of its citizens.** It is essential that economic growth meets **sustainability criteria.** Sustainable development for Europe means above all the economical and efficient management of natural resources. The affirmation of the principles of sustainable development requires a co-ordinated and comprehensive development strategy.

2. Water as a European asset – responsible water management

- Fresh water – from our rivers and sub-surface sources – **is a priceless asset.** In the future the effects of climate change and socio-economic change can be expected to place increasing demands on our water stocks. In order to preserve the quality and quantity of water reserves under control and to ensure their sustainable use, there is a need for a high degree of co-operation between actors in different sectors, and also between affected countries.

- Hungary is of the opinion that water should play an important role in the Danube Strategy, extending of course to the catchment areas of the Tisza and other confluent rivers. It is necessary to create the institutional conditions (control and monitoring) for the EU Water Framework Directive, and the conditions needed for realisation of its 'catchment area water management plans', in order for water in all countries of the Danube Region to reach the desired status by 2027 at the latest. **In the interests of preserving water reserves extending across political borders, water will be a priority specialist area during Hungary's EU Presidency in the first half of 2011.**
- The concept of so-called '**responsible water governance**' should permeate the Danube Strategy. In the course of 'responsible water governance', several apparently contradictory interests must be reconciled in order to preserve strategic water reserves: one must simultaneously satisfy demand for water (drinking, industrial, transport, regional etc.), the preservation of strategic water reserves (including water demand in the ecosystem), and the maintenance of satisfactory water quality.
- **The Danube Strategy should be a good example of integrated water management. In addition to the achievement of the environmental objectives in the Water Framework Directive, this means the achievement of economic and social objectives** for society's water demands. Hungary seeks to take a leading role in responsible water governance and in the development of integrated Danube water management. In line with the water policy set out in the European Union Water Framework Directive, common policies on floods, drought and climate risk management, rural development, agricultural and tourism development should be formulated and implemented along the Danube. Our aim is not only to improve the operations of the existing system of institutions, but also to realise necessary infrastructure developments.
- 'Responsible water governance' can only be achieved through **a regional and economic policy concept developed the Member States with regard to their interdependence.** It is necessary to assess water needs and available water reserves, to create – or encourage the realisation of – infrastructure ensuring the availability of such water reserves (including facilities for water damage prevention and water storage, and water distribution systems), and finally to provide a regulatory system for sustainable water uses which promote water conservation and water quality control. At the level of the Danube Strategy, the concept of 'responsible water governance' means that the countries sharing the Danube catchment area should solve together (or at least in a co-ordinated way) problems affecting the catchment area.
- Hungary is in a unique situation among the Danube countries in that **it has one of the largest stocks of sub-surface fresh water in the Carpathian Basin, and all of Europe.** For this reason the conservation of this supply is of great importance for our country. Due to the number of countries sharing the Danube catchment area, bilateral co-operation is crucial in water management, and this co-operation needs to be supported in the programme.

3. Sustainable transport

Navigability of the Danube

- Priority Project 18 of the European Transport Network (TEN-T), is the River Danube. Currently the Hungarian-Slovakian and the Hungarian stretches of the Danube do not meet navigability requirements on the river. Depending on water levels, ships can only navigate the river for four months a year, subject to draught restrictions. According to UNECE regulations, in Hungary there are around fifty locations where depth and/or width restrictions impede the usability of the waterway. Ports should be developed in line with regional development plans, with particular regard to their role in the development of multi-modal logistics centres.
- Because there is no common position regarding the waterway between Szap-Szob on the Hungarian-Slovakian border, the planning work aimed at better navigability only covers the southern border of Szob. **The aim is to improve the navigation conditions** by eliminating bottlenecks, and **at the same time to improve the conditions of environmental and habitat protection.**
After the various preparatory procedures (environmental assessment, SEA, examination of tributaries, water permits, etc), the regulatory work facilitating navigation can be completed with the support of the public.
- In order to ensure the framework of navigation, existing EU projects like PLATINA or RIS have to be completed. The deadlines of these two projects and other projects aimed at the improvement of navigation should be synchronised.
- At the same time, one must emphasise that for Hungary the time schedule for ensuring shipping routes is not of primary interest, and its later **maintenance will involve significant continuous costs.** Individual countries participating in the Danube Strategy (Germany, Austria, Hungary, Romania and Bulgaria) will bear a disproportionate burden for ensuring navigability. It has to be taken into consideration that in the southern neighbouring countries of the Union, repair of war damage might be necessary. These conditions mean an increased financial burden for the abovementioned countries. Therefore it is important that ensuring appropriate conditions for navigability should offer these countries demonstrable advantages.

It is necessary to set up an impact study in logistics, presenting the advantages of navigability, as well as co-modality and **the integrated use of networks.** Promotion of navigation can be assisted by new projects such as the operation of **timetabled river transport services in border regions and between cities**, and of course the development of river transport for tourism.

Furthermore, the establishment of a Central European Shipping Company is recommended, in order to share out the profits from river navigation. Moreover, recognising the importance of the principle that 'vessels should be adapted to rivers, not rivers to vessels', a joint **Central European Shipbuilding Cluster** should be established.

Rail and road transport

The region's transport is a sustainable system integrated within European transport as a whole. From the viewpoint of connectivity and mobility, the development of cross-border community and public transport – which is now lacking – is a further key question. For more effectively harmonising modes of transport, the co-ordinated operation of suitable information systems and intelligent traffic management can provide truly integrated transport management.

When reviewing TEN-T projects in the future, we will support those projects which serve the interests of the entire region in question.

- The development of **Pan-European Transport Corridor V** (Lyon - Venice - Trieste - Ljubljana - Budapest - Uzhorod - Lviv - Kiev) is a major priority for Hungary.
- It is an objective for Hungary to see the extension as far as Budapest of **TEN-T Priority Project 17**: the Magistrale rapid-rail link (Paris - Strasbourg - Stuttgart - Vienna-Bratislava).
- In terms of road transport, Hungary has a strong interest in the realisation of the so-called Central European Transport Corridor (**CETC-Route 65**), which is essential for the economic development of the region, and which is a key component of the north-south transport link (running through the Hungarian counties of Győr-Moson-Sopron, Vas and Zala).
- A major problem with the completed TEN-T motorway in Hungary is its radial structure, resulting in a bottleneck at Budapest, where the road system has already reached full capacity. In order to enable traffic from the South-East (especially Romania) to pass smoothly to the TEN-T Western and Southern European network, it is necessary to connect the M4-M8 and the M9 motorways to the TEN-T network.
- During the review of TEN-T, the **Via Carpatia** should be integrated into the TEN-T network as the major north-south transport corridor planned on the EU's eastern border, and as a reliable link with eastern neighbours (Lithuania, Poland, Slovakia, Hungary, Romania, Bulgaria and Greece).
- Hungary is aware of the growing importance of Functional Airspace Blocks – both with regard to energy efficiency and environmental aspects – and therefore the **Hungarian air traffic control system is being continuously**

improved. This may have a key role in ensuring efficient air transport in the region.

4. Energy

Hungary treats **improvement in the security of energy supply, reinforcement of market competition and mitigation of the negative effects of climate change** as high-priority tasks in the region. To achieve these objectives it is essential to eliminate infrastructure deficiencies. The integrated electricity and gas market must be strengthened by improvements in cross border energy trade, the creation of solidarity measures, and increased support for renewable energy sources. The unification of the region's energy markets can reduce the negative effects of price increases, and can simultaneously reduce countries' import dependency. In addition to the above, regional co-operation can also improve the efficiency of efforts made in climate protection.

- Hungary is a major supporter of regional network integration, the New European Transmission System (**NETS**), through which a unified gas network can be created from the participating countries' networks.
- Hungary is a participant and promoter of the **Nabucco** gas pipeline and of the development of liquefied natural gas (**LNG**) capacity in the Adriatic. A high-priority aim is that Hungary should have access to supplies from the future LNG terminal in Croatia.
- Hungary supports the modernisation of the Druzhba (Friendship) oil pipeline.
- Hungary sees construction of the North-South gas link as a high priority for the region's gas supply.
- Another high priority for Hungary is the linking up of an electrical network between Hungary and Croatia, and between Hungary and Romania.
- Among the specific aspects of the region it is necessary to consider **the increased use of renewable energy sources, in particular the capacity for bioenergy production (biomass, biogas, biofuels)**. In the use of biomass, sustainability requirements must be fully adhered to.
- Hungary enjoys special attributes and know-how in geothermal energy, and therefore has an interest in it being used as widely as possible; it seeks to create a **geothermal technology cluster**, or clusters.
- The **energy efficiency of buildings** and, where possible, programmes for the supply of renewable energy are of regional importance, and Hungary seeks to support these goals from Structural Funds.

- The co-ordination of energy efficiency measures for urban areas is a high priority goal.
- It is important to reduce the energy use of transport, and to give preference to cleaner modes of transport when considering the region's sustainable development.

5. Knowledge and Innovation

- One of the founders of the Danube Rectors' Conference is Hungary's Eötvös Loránd University, which aims to co-ordinate development of education and research in the region. The collaborative Danube Science Cluster is a promising initiative, which can be expanded with **doctoral studies, and a teacher and student mobility programme**.
- A promising initiative could be development of the framework for a joint Danube region research programme (ERANET), and implementation of that programme.
- There are several institutions in Hungary which can successfully link in to joint science, research and development programmes. Of particular significance is the **Andrássy Gyula German Language University**, which is a successfully implemented project of the Danube Strategy's predecessor, the Ulm Co-operation. Andrassy University, which is still based on collaboration between several countries, can be developed further for the benefit of the whole region.
- Szentendre is home to the Central and Eastern European Environmental Research Centre (**REC**), the tasks of which can be developed for joint research and linked in to existing institutions.
- The European Institute of Technology (**EIT**) – based in Budapest – should also be mentioned. Although it has EU-wide responsibility, it could be more involved in the research and development activities of countries participating in the Danube Strategy.

III. Framework for implementation of the Danube Strategy

- In the adoption of the Danube Strategy and its Action Plan, Hungary has a key co-ordinating role during its EU Presidency in the first half of 2011. **The Hungarian Presidency is unequivocally committed to adopting the Strategy and the successful launch of implementation procedures.**
- **The Strategy and the implementation of the Action Plan should be divided into two phases**, which can be realised through different political and financial frameworks.
- **The first phase, the planning and the implementation of certain issues, should extend throughout the EU programme period, until the end of 2013.** In this period, the participating Member States can implement the already defined objectives and

projects within the framework of the Action Plan. Efforts should be made at regional level to fully use the available resources.

- On the other hand , **in the second EU financial planning period (starting in 2014)**, it will be possible for participating countries to implement the action plan and to define new objectives.
- As regards funding, the European institutions have made it clear that it is not possible to receive additional budget resources to implement the Danube Strategy. But it is important that the participating countries can use all other resources related to common policies. This means that both the net contributor Member States and the beneficiary countries have access to financial resources best suited to their interests. The net contributor Member States can receive available resources to implement the Strategy mainly from TEN-T, research programmes, European Investment Bank. In addition to the abovementioned resources, participating beneficiary countries can have access to partner financing from Structural and Cohesion Funds. Participating third countries can use the pre-accession and other funds open to them. This concept may be valid until the end of 2013 and for the subsequent period.
- Although the Strategy's content is based on the priority systems received from the participant Member States, during the adoption and implementation phase, **a suitably important role should be given to non-governmental organisations, international scientific organisations, universities, regional, municipal and local governments, churches, and to the civil sphere in general.** For the success of the Danube Strategy it is **necessary to have the active engagement of citizens and the public**, both for the development of identity and for economic effectiveness. The civil sphere has a number of concepts and initiatives, which are necessary to integrate into the objectives adopted at national and EU level.
- The **committed engagement of the Member States** is essential for the successful implementation of the Action Plan. It is the shared position of the participating countries that the Strategy can only be successful if all interested parties are committed, identify with the main goals, and properly implement common objectives. **This is why it is necessary to have a leader Member State (or participating country) for each priority area, together with the abovementioned broad collaboration.**

21-06-2010