



# **Danube-INCO.NET**

**Advancing Research and Innovation  
in the Danube Region**

**D R A F T**

## **Roadmap towards a possible Article 185 Programme for the Danube**

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## List of Abbreviations

AC	Associated countries
Danube-INCO.NET	Danube Region INCO-NET
DIS	Dedicated Implementation Structure
DoW	Description of Work
DRRIF	Danube Region Research and Innovation Fund
EC	European Commission
EUSDR	EU Strategy for the Danube Region
FP	Framework Programme
FPP	Funding Parties Platform
H2020	Horizon2020
MS	Member States
PA7	Priority Area 7
R&I	Research and Innovation
TC	Third Countries
TFEU	Treaty on the Functioning of the European Union
WP	Work Package

## 2 Executive Summary

The present deliverable D6.11 aims at assessing the potential of a coordinated multinational initiative of the Danube countries and the European Commission. The greater framework is given by the macro-regional approach of the European Union, in particular the EU Strategy for the Danube Region (EUSDR). Against this background, the report focuses on the scaling up of dedicated funding mechanisms in the Danube Region, and in particular towards a possible Article 185 TFEU (Treaty on the Functioning of the European Union) initiative under Horizon2020. The investigations on a possible Danube Region Research and Innovation Fund (DRRIF) will be taken into account. The deliverable will be updated during the project's lifetime and can therefore be considered work in progress until the end of 2016.

In this deliverable, at first general background information of the Art. 185 instrument such as framework conditions, requirements and criteria to be fulfilled for such a measure under Horizon2020 are given in chapter 4. Then the existing and planned Art. 185 measures EDCTC, BONUS, AAL, Eurostars, and EMRP are presented and compared. They show differences for example in the preparation phase some of them being built on Era-Nets, others on a Specific Support Action. Variances can be found also in legal aspects and concerning the funding sources (one case of a real common pot) and the budget size. When it comes to lessons learned from the existing Art. 185 measures, the BONUS example can provide recommendations:

- BONUS also being based on an EU macro-regional Strategy, an extensive coordinated funding mechanism could therefore also be adequate for the Danube region; thus, the Art. 185 instrument should be assessed. Yet, differences in the two regions in several aspects have to be taken into account, and framework conditions at European level are not the same anymore now compared to the situation when BONUS started;
- The process to develop and implement an Art. 185 measure is very complex, time and effort consuming; this has to be considered; firm commitment by all stakeholders is necessary;
- When starting, a thorough analysis of stakeholders should be carried out and a strategic research agenda has to be developed;
- differing from BONUS, where all countries have to take in each call, flexibility in the implementation such as variable geometry when launching a call should be considered instead;
- Contrary to BONUS, the use of Structural Funds and other EU funding instruments such as IPA II and ENPI should be assessed and can be of great interest for the Danube Region.

The subsequent chapter analyses the fulfilment of the criteria necessary for the undertaking of an Art. 185 measure for the Danube region. The financial and political commitment by the Danube countries, - the essential precondition for deciding to start an Art. 185 measure - still has to be proven; alternatives could also be sought. Therefore, the Art. 185 instrument is being compared with some other instruments for the coordination of funding mechanisms (ERA-NET COFUND, Joint Programming Initiatives, EUREKA) showing advantages and disadvantages. Furthermore, in the report other relevant existing initiatives in the Danube region are described: the Danube-INCO.NET, the activities under the EUSDR Priority Area 7 Steering Group and Working Group, the initiative of the EU Joint Research Centre "Scientific Support to the EUSDR", the Danube Transnational Programme in the frame of the European Territorial Cooperation, and national initiatives such as the

Ulm Follow up Working Group led by the German Federal Ministry of Education and Research (BMBF).

The steps to be taken in a proposed roadmap towards a possible Art. 185 measure - under the condition that there is strong commitment by the Danube countries and a decision is taken to proceed into this direction – is suggested in a table: after a preparatory phase of 2-3 years, an implementation phase of approximately 5 years follows; many stakeholders need to be involved, and the procedure should be led by a committed core group of actors.

In the discussion part, the deliverable outlines questions to be discussed before starting such a procedure in order to assess whether an Art. 185 measure is the adequate instrument for the coordination of funds in the Danube region:

- 1) Which countries can participate under which conditions? Should all concerned 14 Danube countries (9 EU member States, 5 non-EU Member States) take part? Will it be on a mandatory or on a voluntary basis? What kind of commitment should a country make, a letter of intent, fixed financial or in kind contribution?
- 2) Who are the main actors in the countries in such a discussion of a coordination of funding mechanisms for the Danube Region? Are those the national governments where mainly the ministries in charge of research, education and innovation should be addressed?
- 3) What are the aims of such a coordination of funding mechanisms? Individual goals and specificities of the countries and the European Commission, but also the common challenges and objectives as well as the expected added value of all participating entities have to be taken into account in order to define a common vision of a future coordinated initiative.
- 4) Which will be the topical/scientific content? Should thematic areas be defined in advance (this could have effect on the instrument chosen) or not?

If a decision is taken for Art. 185 measure for the Danube region, the following (critical) points among others have to be discussed and agreed upon by the participating countries:

1. Do all Danube countries take part in the initiative? Who is/are the leading player(s)?
2. How can non EU MS participate: Association of third countries or “equal” partners? If countries are associated, may funds be given to the project partners of associated countries? If third countries are not associated but “equal” partners, could funding be attributed to third country project partners?
3. Should participation in all joint calls be mandatory or should variable geometry in funding instruments and participation be ensured?
4. Where does financing for the initiative come from? (H2020, Structural and Investment Funds, IPA/ENPI, national budget...)
5. Funding principles: Real vs. virtual common pot? Are there administrative/legal barriers to transfer funds across national borders without having direct control or the possibility to examine the use of the funds?
6. Can there be an agreement to use Framework Programme evaluation principles?
7. Should the thematic scope be narrow (restricted scientific topics) or should a broader approach be chosen (f. ex. the main Priority Areas of the EUSDR or clusters from the JRC initiative)? What are the arguments for a restriction, what are the arguments for a broader or even a bottom-up approach?

Taking into account existing programmes, initiatives and framework conditions in the Danube region, as well as experiences from other initiatives and Art. 185 measures, the following recommendations are made to consider when taking further steps towards the coordination and scaling up of funding mechanisms in the Danube region:

- Considering the situation for the Danube macro region, first of all an adequate instrument for the coordination of funds has to be chosen; this depends very much on the political and financial commitment of the relevant stakeholders as well on their interest and influence on a future potential programme. Clarification of the need, the preconditions and the adequacy of an instrument for the Danube region (e.g. an Art. 185 measure) and what are the preconditions for its success is necessary.
- Starting points from the present situation should be the ongoing activities strongly related to the EUSDR (especially PA7, the planned DRRIF, Danube-INCO.NET) and the existing and currently running programmes in the Danube region (Horizon2020, EUREKA, Eurostars, Operational Programmes, European Territorial Cooperation, IPA, ENPI, RCC, WISE).
- If the relevant stakeholders agree on starting an Art. 185 measure for the Danube region, a sufficient amount of funding has to be provided by all participating countries from the beginning. A strong commitment is necessary to bring forward the initiative and a continuous dedication and liability by all Danube countries enduring also political changes.
- Facing the undertaking of an Art. 185 measure, a time frame of several years may be realistic before starting such a programme and the first calls. An intermediary step in the coordination of funding mechanisms (such as an Era-Net COFUND instrument) would be very useful for gaining experiences and deepen trust among the funding partners. It might be beneficial to broaden the thematic scope of the initiative (or to handle it in a flexible way) in the course of the development of the measure in order to get more funding through a greater variety of stakeholders; this allows for a more flexible implementation.
- a pragmatic approach may be chosen: Variable geometry should be considered as a suitable approach according to different thematic priorities in the participating countries; If the provision of fresh funds is not feasible (for all or some of the countries), a coordinated system of existing programmes – adapted to the situation in the Danube Region – comparable to a kind of tool box could be a solution.
- To agree on one or two thematic priorities (at least by some of the countries) is important in order to focus on a specific funding source (f. ex. when planning an ERA NET COFUND); Danube-INCO.NET's activities could and the DRRIF feasibility study performed under the EUSDR Priority Area 7 can support. The priorities should be decided by the participating and contributing stakeholders.
- A flexible implementation will be advantageous and it would be beneficial to have different options “replacing” missing funds from one or more countries by other means (In-kind-contributions, f. ex. by providing infrastructures instead of fresh money).
- The combination of funds (f. ex. Horizon2020, Structural Funds, IPA/ENPI, etc.) may be a good option. However, a good balance should be sought between using different financing sources for the project funding; a combination may be necessary, but it also increases the administrative burden considerably, especially for the coordinators of the funded projects if they receive money from two sides (f. ex. national sources and EU KOM) and have to report to at least 2 parties.

- In order to reduce bureaucratic burdens, it is advisable to have only one funding regulation; however, this seems challenging in the Danube region (9 EU MS + 5 countries outside to EU but most of them associated to Horizon 2020).

### 3 Introduction

The Danube-INCO.NET project is operating as a strategic high-level coordination and support action against the background of the macro-regional approach of the European Union, in particular the EU Strategy for the Danube Region (EUSDR). The project is - among other things - committed towards the coordination of funding mechanisms, lending its attention to one of the most important EUSDR milestones: the potential establishment of a Danube Region Research and Innovation Fund (DRRIF) as a flagship project under Priority Area 7 (PA7). One of the aims of the project is to investigate and assess different coordination possibilities of existing funding mechanisms such as multilateral programmes and bilateral agreements in the Danube region. A DRRIF Working Group acting under PA7 and led by the Austrian Ministry of Science, Research and Economy (BMWFW) is accompanying and monitoring a possible DRRIF development under investigation. This group aims at generally “better coordinating national, regional and EU funds to stimulate excellence in research and development, in research areas specific for the Danube Region”. A DRRIF feasibility study contracted by the Slovak Ministry of Education is ongoing (April 2014 – March 2015) and should contribute to the discussions of the DRRIF Working Group.

In close cooperation with these activities, Danube-INCO.NET’s Work Package 6 (“Scaling up Danube Funding Mechanisms”) provides support to the (innovative) coordination of funding mechanisms for research and innovation. Furthermore it should help coordinate funding partners in the region, and examine possibilities for scaling up joint funding mechanisms supporting steps towards even bigger joint funding programmes (possibly according to Article 185 of the Treaty on the Functioning of the European Union - TFEU). These activities include the creation and implementation of a network of funding parties (Funding Parties Platform - FPP), assistance for the development and establishment of the DRRIF and support to the implementation of future possible DRRIF (or other) calls launched under a coordinated programme, for example by training contact points, organise joint call promotion and providing information material.

More precisely, the Danube-INCO.NET Task 6.2 which relates to this Deliverable D6.11, focuses on the scaling up of dedicated funding mechanisms in the Danube Region, including a future DRRIF, and in particular towards a possible Article 185 TFEU initiative.

After giving background information on Art. 185 measures in general and specifically highlighting some examples, D6.11 discusses possibilities for a later implementation of a potential multinational and coordinated initiative of the Danube countries in cooperation with the European Commission. This report gives an overview of framework conditions and requirements when potentially starting to develop an initiative for an Art. 185 measure, in general and for the Danube region. It includes suggestions for a roadmap towards a potential Art. 185 programme for the Danube region under the condition that partner countries agree and commit themselves to support such a future coordinated programme for the region. It also takes into account lessons from other Art. 185 measures (i.e. the Baltic Sea Macro region Programme “BONUS”, the initiative PRIMA for the Mediterranean countries, Eurostars, and others), and is based on existing initiatives carried out in some of the countries of the Danube region (f. ex. SEE-ERA.NET PLUS).

The present deliverable D6.11 aims at assessing the potential of a coordinated multinational initiative of the Danube countries and the European Commission. It focuses on the scaling up of dedicated funding mechanisms in the Danube Region, including the Danube Region Research and Innovation

Fund (DRRIF), and in particular towards a possible Article 185 TFEU (Treaty on the Functioning of the European Union) initiative under Horizon2020.

After providing the general background of Art. 185 measures and outlining existing and planned initiatives in the region, chapter 4.2 is dedicated to the necessity and the requirements for undertaking a possible Art. 185 measure in the Danube region. General framework conditions and the necessary requirements and criteria to be fulfilled for such a measure under Horizon2020 are discussed; then existing and planned Art. 185 measures are presented. The Art. 185 instrument is being compared with other instruments for the coordination of funding mechanisms (ERA-NET, ERA-NET PLUS, ERA-NET COFUND, Joint Programming Initiatives, EUREKA). Furthermore existing initiatives in the Danube region, that are essential as a basis for future actions, are presented.

Chapter 4.3 suggests potential steps when planning an Art. 185 measure for the Danube region while examining possibilities for a future coordinated programme for the region. The potential roadmap outlined in this deliverable could serve as a basis for future implementing steps to a greater joint funding programme in the Danube region under the condition that there is a strong commitment from the countries of the Danube Region and a common decision taken among them. The deliverable outlines and discusses relevant arguments when it comes to the establishment of such a programme, also in comparison to other already existing initiatives; the specificity of the Danube Region constitutes the guiding frame for the work.

In the final section of the report, advantages and disadvantages – but also the necessity or the use of alternative instruments – of an Art. 185 measure for the Danube Region are discussed, taking into account also descriptions of and lessons from other initiatives in order to make recommendations when it comes to starting such an initiative.

The deliverable is work in progress and will be updated during the project's lifetime; depending on further discussions and decisions by the Danube countries on the coordination of funding mechanisms and /or agreements on joint funding activities and instruments, the included draft roadmap for an Art. 185 measure may be further developed. This also depends on the results of other relevant activities (e.g. outcomes of the DRRIF feasibility study and the DRRIF Working Group).

## **4 Roadmap towards an Article 185 programme for the Danube**

### **4.1 Background on Article 185 TFEU**

#### **4.1.1 General background**

"Article 185 (Treaty on the Functioning of the European Union, TFEU) [ex Article 169 of the Treaty establishing the European Community (TEC)] enables the EU to participate in research programmes undertaken jointly by several Member States, including participation in the structures created for the execution of national programmes. Article 185 TFEU states that: "In implementing the multiannual framework programme, the Union may make provision, in agreement with the Member States concerned, for participation in research and development programmes undertaken by several Member States, including participation in the structures created for the execution of those programmes." In practical terms, Article 185 TFEU foresees the participation of the EU in the joint implementation of (parts of) research and development national programmes. Implementing Article 185 TFEU in the Seventh Framework Programme implies that the participating EU Member States

integrate their research efforts by defining and committing themselves to a joint research programme, in which the EU promotes the voluntary integration of scientific, managerial (single implementing structure) and financial (between EU & MS) aspects.”<sup>1</sup> The EU provides financial support to the joint implementation of the (parts of the) national research programmes involved, based on a joint programme and the setting-up of a dedicated implementation structure (DIS). This DIS is responsible for the administrative, financial and contractual management of the joint research programme and requires a defined format and working staff. A measure in the frame of Article 185 of the TFEU can be considered as the “closest” form of coordinating national funding mechanisms, since it reflects the integration of national funding mechanisms of a region. Typical activities according to Art. 185 undertake the following activities:

- Joint Calls with a broad variety of different grant types (for EDCTP e.g. Integrated Projects, Ethics and Regulatory projects, Networks of Excellence);
- Researcher Mobility Grants (EMRP), Senior Fellowships (EDCTP);
- Bottom-up type funding; in particular for SMEs (EUROSTARS).

The following institutions can participate in initiatives according to Art. 185:

- Member States, represented by Ministries, Programme Management or Funding Agencies, etc.
- FP7 Associated Countries may join the joint programmes in accordance with criteria laid out in each Decision;
- Third Countries (bilateral agreement with EC necessary).

Participants of initiatives according to Art. 185 have to fulfil the following requirements:

- firm scientific, financial and political commitment of MS from the outset before the legislative process can start;
- existing (or at least envisaged) research programmes or national budget lines.

End-users are all types of research entities (industry, academia, research institutions and agencies, etc.).

The identification criteria for Article 185 TFEU, set out in FP7 / Horizon2020, are as follows<sup>1</sup>:

- Relevance to EU objectives,
- Clear definition of the objective to be pursued and its relevance to the objectives of the Framework Programme (FP7),
- Presence of a pre-existing basis (existing or envisaged research programmes),
- European added value,
- Critical mass, with regard to the size and the number of programmes involved and the similarity of activities they cover,
- Efficiency of Article 185 TFEU as the most appropriate means for achieving the objectives.

Compared to the 7<sup>th</sup> Framework Programme, Article 185 (ex-Art. 169) remains equal in the TFEU, nevertheless there are some changes for Horizon 2020:

<sup>1</sup> Source: [http://ec.europa.eu/research/era/art-185\\_en.html](http://ec.europa.eu/research/era/art-185_en.html)

1. In the Commission proposal for a Regulation of the European Parliament and of the Council establishing Horizon 2020 - The Framework Programme for Research and Innovation (2014-2020), adopted on 30th November 2011, Article 20 spells out the needed three integration levels for using the instrument of Art. 185. Under the 7th Framework Programme this was not explicit.
2. In the Commission Proposal for a Regulation of the European Parliament and Council laying down the rules for the participation and dissemination in Horizon 2020, ), adopted on 30th November 2011, Article 1 states that the Rules for Participation of the FP will apply to Art. 185 initiatives (with the possibility for justified derogations). Since the start of Art. 185 initiatives under the 6th Framework Programme and under the 7th Framework Programme, Art. 185 was exempt from the Rules for Participation.

Subsequently any new proposal for an Art. 185 initiative, apart from the existing criteria (- in the Horizon 2020 proposal they are listed in Art. 20 -) will have to take into account these two additional requirements.

The rules for participation are those of the national programmes concerned, provided they are compatible with EU legislation, plus any additional requirements which may be imposed by the Delegation Agreement. The rules may differ originally and need streamlining before coordination is decided; this important step cannot be taken for granted or neglected and a pre-coordination is necessary. The actions supported may cover subjects not directly linked to the themes of the FP, as far as they have a sufficient EU added value. They will also be used to enhance the complementarity and synergy between the Framework Programme (FP7 and H2020) and activities carried out under intergovernmental structures such as EUREKA and COST.

In identifying and preparing proposals for Article 185 TFEU initiatives, the Commission has drawn on lessons learnt from the "European and Developing Countries Clinical Trials Partnership" (EDCTP) initiative, an Art. 185 TFEU initiative established under the Sixth Framework Programme. These are, notably, the necessity for:

- Clear and firm commitment from the participating Member States;
- Well-prepared joint programme / priorities;
- Well-organised implementation structure.

#### **4.1.2 Article 185 TFEU initiatives in the Sixth and Seventh Framework Programmes**

##### ***4.1.2.1 European and Developing Countries Clinical trials Partnership (EDCTP)***

The European and Developing Countries Clinical Trials Partnership (EDCTP, first Art. 185 TFEU initiative under FP6) was set up by a joint decision of the European Parliament and the Council on 16 June 2003. "EDCTP was established in response to the global health crisis caused by the major three poverty-related diseases (PRDs) HIV/AIDS, tuberculosis and malaria, and the EU's commitment to achieving the Millennium Development Goals (MDGs) by 2015. EDCTP supports clinical trials against these diseases in sub-Saharan Africa, in partnership with its African counterparts and like-minded organisations, and facilitates cooperation and integration of corresponding European national research programmes and activities." <sup>2</sup> Key deliverables are two independent External Review

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<sup>2</sup> <http://www.edctp.org>

Reports by Van Velzen on the EDCTP initiative of 12 July 2007 and 14 December 2009, and the progress report<sup>3</sup> as well as the Commission staff working document “Progress Report on the European and Developing Countries Clinical Trials Partnership (Brussels, 30.10.2008 SEC(2008) 2723)”.

An impact assessment in view of the second EDCTP programme (EDCTP2) has been performed by a public consultation and an independent Expert Panel contributing to the Impact Assessment of the new EDCTP (Final Report<sup>4</sup>).

Currently, preparations for the second EDCTP programme are well underway: On 6 May 2014, the Council of the European Union approved the participation of the EU in the second phase of the EDCTP programme (EDCTP2), in accordance with the legislative proposal approved by the European Parliament on 15 April 2014. With this approval, the implementation phase of the second programme will start after signature of a delegation agreement between the European Commission (EC) and EDCTP, which is expected to take place in the third quarter of 2014.

On 10 April 2014, EDCTP changed its legal structure from a European Economic Interest Grouping (EEIG) to an Association under the Dutch law in order to enable sub-Saharan African countries to become full members of EDCTP, together with all countries associated to Horizon 2020, the EU Framework Programme for Research and Innovation. To date, nine sub-Saharan African countries have formalised their participation as Members of the EDCTP Association<sup>5</sup>.

#### **4.1.2.2 Ambient Assisted Living (AAL)**

Under FP7, the first decisions setting up Art. 185 TFEU initiatives were adopted by the European Parliament and Council on 23 June 2008 (joint decision of the European Parliament and the Council of the European Union on 9 July 2008<sup>6</sup>). One of them is Ambient Assisted Living (AAL); “the AAL Joint Programme is a funding activity that aims to creating better conditions of life for the elderly population and to strengthen the industrial opportunities in Europe through the use of information and communication technology (ICT). It carries out its mandate through the funding of cross-national projects (at least three countries involved) that involves small and medium enterprises (SME), research bodies and user’s organizations (representing the elderly people).”<sup>7</sup>

#### **4.1.2.3 Eurostars**

Another decision setting up an Art. 185 TFEU initiative adopted by the European Parliament and Council of the European Union on 23 June 2008 (joint decision of the European Parliament and the Council on 9 July 2008) was Eurostars. This Joint research programme for R&D performing SMEs and their partners is undertaken by 33 countries in the context of EUREKA. In Eurostars there are no fixed thematic areas and the programme is open to any country wishing to participate. “The programme provides financial support to market-oriented research projects initiated and driven by research-performing small and medium-sized enterprises, which develop innovative products, processes and services, to gain competitive advantage. Eurostars provides funding for transnational innovation

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<sup>3</sup> Communication from the Commission to the European Parliament and the Council on the Progress Report on the ‘European and Developing Countries Clinical Trials Partnership’ Programme, Brussels, 30.10.2008 - COM(2008) 688 final.

<sup>4</sup> [http://ec.europa.eu/research/consultations/edctp/edctp\\_public\\_consultation\\_results.pdf](http://ec.europa.eu/research/consultations/edctp/edctp_public_consultation_results.pdf)

<sup>5</sup> <http://www.edctp.org/get-know-us/governance/>

<sup>6</sup> <ftp://ftp.cordis.europa.eu/pub/fp7/art169/docs/aal.pdf>

<sup>7</sup> <http://www.aal-europe.eu/%20about/objectives/#sthash.exgBN91P.dpuf>

projects the products of which are then rapidly commercialised.”<sup>8</sup> The follow up Programme Eurostars-2 has been running since 01.01.2014. From the Danube countries, Germany, Austria, Czech Republic, Slovak Republic, Hungary, Slovenia, Croatia, Romania and Bulgaria take part in Eurostars; the others are either countries participating in EUREKA or associated to Horizon 2020 and can therefore participate in Eurostars at any time (condition: "earmarked budget").

#### **4.1.2.4 European Metrology Research Programme (EMRP)**

The European Metrology Research Programme (EMRP) is a Joint European Research Programme in the field of Metrology, the science of measurement, and is undertaken by 23 countries, EU Member States and Associated Countries to FP7. It is undertaken in two phases: iMERA-Plus and an Art. 169 measure<sup>9</sup>. “The first phase of the EMRP (iMERA-Plus) was successfully launched in 2007 and was one of the first of a new type of medium-sized actions launched under FP7: an ERA-NET Plus, which aimed at aligning and enhancing national programmes. Resources from the publicly funded metrology laboratories from 19 European countries, plus the European Commission’s measurement institute (IRMM) have been committed within a single joint call for metrology research projects. The success of the early part of iMERA-Plus enabled significant progress towards the second phase of the EMRP, as one of the new European supported Article 169 initiatives jointly funded by the European Union and the 23 participating countries.”<sup>10</sup> The EMRP Joint Programme was set up by a joint decision of the European Parliament and the Council of the European Union on 16 September 2009. The EMRP enables European metrology institutes, industrial organisations and academia to collaborate on joint research projects within specified fields. Key deliverables are the Interim Evaluation of the European Metrology Research Programme (EMRP), the Expert Panel Report 2012 and the Progress report<sup>11</sup>.

#### **4.1.2.5 BONUS**

“The BONUS 'Joint Baltic Sea Research Programme' is a Joint research programme in the field of Baltic Sea research and fully aligned with the objectives of the European Strategy for Marine and Maritime Research. It is an integral part of the EU Strategy for the Baltic Sea (EUSBS) which seeks to provide both a coordinated and inclusive framework in response to the key challenges facing the Baltic Sea Region, together with concrete solutions for these challenges.”<sup>12</sup>

The BONUS Joint Programme was set up by a joint decision of the European Parliament and the Council of the European Union on 22 September 2010. BONUS has evolved through three consecutive steps. The first step was BONUS ERA-NET 2003-2008 during which the conditions for a jointly funded programme were established. The second step was the BONUS+ call that was a single call for proposals launched in 2007. After the evaluation procedure, 16 projects were selected for funding during 2009-2011 with a total of EUR 22 million €. The third step is BONUS, the joint research and development programme 2010-2016 under Article 185.

By implementing a policy-driven, fully-integrated joint research programme, based on extensive and on-going stakeholder consultations, BONUS seeks to provide concrete scientific outputs facilitating the implementation of ecosystem-based management of environmental issues in the Baltic Sea.

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<sup>8</sup> <https://www.eurostars-eureka.eu>

<sup>9</sup> [http://www.euramet.org/index.php?id=about\\_emrp](http://www.euramet.org/index.php?id=about_emrp)

<sup>10</sup> <http://www.emrponline.eu>

<sup>11</sup> Report from the Commission to the European Parliament and the Council on the Interim Evaluation of the European Metrology Research Programme - EMRP :Brussels, 16.4.2012 COM (2012) 174 final

<sup>12</sup> <http://www.bonusportal.org>

BONUS thereby supports sustainable development in the region while strengthening research collaboration and facilitating the use of common resources and infrastructure in the region.

As BONUS is also closely related to an EU macro-regional strategy it may serve as example to learn lessons when considering a roadmap for the EUSDR and the Danube region. An exploratory visit of the Task T6.2 partners to the BONUS Secretariat located in Helsinki took place on September 8, 2014 in order to discuss with the BONUS director and the Secretariat staff issues related to the establishment and the functioning of an Art. 185 initiative. This will be further elaborated in chapter 4.2.2.

#### 4.1.3 Conclusions

The five existing Art. 185 measures present similarities but also differences in some aspects<sup>13</sup>.

For example in the preparation phase, a stepwise approach (starting with a normal ERA-NET followed by an ERA-NET+ Call) has successfully been used for BONUS and EMRP; in the case of AAL, a Specific Support Action under a Thematic Priority of the FP7 was used for the preparation phase.

Also legal aspects are differing: Models used as the dedicated implementation structure (DIS) are the European Economic Interest Grouping (EEIG) for BONUS and EDCTP (common structure); the EUREKA Secretariat for EUROSTARS, an International not-for-profit association under Belgian law (AAL-Association) and the European Association of National Metrology Institutes (EURAMET) for EMRP.

Concerning the funding sources, there is one case of a real common pot (BONUS). For the Budget size, differences exist: EUROSTARS: 1 billion estimated in total for the duration of seven years; AAL: >300 M€; 150 M€ of the Community for the FP7 duration; at minimum 150 M€ of the Member States; EDCTP: 600 M€ total for 5 years; 200 M€ of Member States, Community, and other sources each; and BONUS: 100 M€ total; 50 M€ of Member States and Community each.

State of Play: On 10 July 2013 the Commission adopted the Innovation Investment Package with four proposals for Art. 185 initiatives (P2Ps). The budget in the Commission Proposal of these four Public-to-Public Partnerships amounts to a total public budget of almost 3,5 billion € (Horizon 2020 and participating states funds combined). On 06 May 2014 the "Innovation investment package: private and public partnerships for research and innovation" was adopted in the Council of the European Union, including the four following 185-initiatives<sup>14</sup>:

- AAL 2: ICT applications to improve the life of the elderly
- EDCTP 2: European & Developing Countries Clinical Trials Partnership
- EMPIR: Metrology (the science of measurement)
- EUROSTARS: Support for research performing SMEs

BONUS Art. 185 started later than the other initiatives and plans to follow with a successor programme at a later stage during Horizon 2020.

#### 4.1.4 Planned Art. 185 initiatives

An initiative under Art. 185 TFEU currently brought forward for the Mediterranean countries is the "Partnership in Research and Innovation in the Mediterranean Area (PRIMA)". It started in 2012 and

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<sup>13</sup> <http://netwatch.jrc.ec.europa.eu/web/lp/learning-platform/toolbox/smart-coordination/positioning-of-the-era-net-scheme/article-185-initiatives>

<sup>14</sup> [http://www.consilium.europa.eu/uedocs/cms\\_Data/docs/pressdata/en/intm/142505.pdf](http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/intm/142505.pdf)

can build on several activities carried out in the Mediterranean region. One of them is the Monitoring Committee (MoCo) for the Euro-Mediterranean cooperation that was established in 1995. Its aim is to run an open platform for consultation and discussion of issues related to the cooperation in the Mediterranean area, supported in 1995 by the Euro-Mediterranean Partnership (Barcelona Declaration) of the Foreign Ministers. Additionally, the European Neighbourhood Policy/ENP supports deeper economic integration, increased mobility and more people-to-people contacts strengthening relations with Southern and Eastern neighbours. Another one is the Union for the Mediterranean, a multilateral partnership of 43 countries, from Europe and the extra EU Mediterranean region (from the Balkans, the Middle East and North Africa) that was launched at the Paris summit in 2008. Furthermore, the following EU funded projects also sustain a stronger cooperation with the Mediterranean region: the INCO-NET projects MIRA and MEDSPRING (Mediterranean Science, Policy, Research & Innovation Gateway), as well as the ERANETMED project (an Era Net for the Mediterranean countries). ERANETMED aims at reducing fragmentation of research programming in the Mediterranean region by promoting alignment among national research programmes of European Member States, Associated Countries and Mediterranean Partner Countries. It started in 2013 and addresses the most important societal challenges of the region.

The vision of PRIMA is to define a long term sustainable strategy for research and innovation for the Euro - Mediterranean Area:

- with the highest social-economic impact,
- towards a scientific, management and financial integration of national programmes,
- based on the principles of co-ownership, co-decision and co-financing.

The development of PRIMA is based on a Joint Action Plan (JAP), addressing the Grand Challenges of the Mediterranean Region. Working Groups have been installed for discussing legal aspects and issues such as participation of third countries (international agreements), financial issues, the establishment of Dedicated Implementation Structure (DIS), thematic scope.

Current developments show that the procedure of establishing an Art. 185 for the Mediterranean Region (PRIMA), and especially the adequacy of this instrument, need further discussion due to differences in the commitment of the countries.

Contact to PRIMA players will be kept and progress of the initiative be monitored throughout the Danube-INCO.NET project, being reflected in updates of this deliverable.

#### **4.1.5 Lessons learned from the existing Art. 185 initiatives: the BONUS example**

The following table illustrates in which of the existing Art. 185 measures the countries from the Danube Region (EUSDR) participate. The table shows that only Ukraine is not taking part in at least one of the five Art. 185 measures.

	AAL	BONUS	EDCTP	EMRP	Eurostars
Austria	x		x	x	x
Bosnia and Herzegovina				x	
Bulgaria					x
Croatia					x
Czech Republic				x	x
Germany		x	x	x	x
Hungary	x			x	x
Moldavia					
Montenegro					
Romania	x			x	x
Serbia					
Slovak Republic				x	x
Slovenia	x			x	x
Ukraine					

**Table 1: Overview of EUSDR countries' participation in existing Art. 185 measures**

In order to better understand one of the existing Art. 185 measures and benefit from their lessons learned, the BONUS initiative can serve as example when considering its experiences made during the establishment and the operation of the programme. From the geographical aspect, BONUS is also based on a macro-regional strategy (EU Strategy for the Baltic Sea region) such as the Danube region.

During an exploratory visit of the Danube-INCO.NET Work package 6-Team to the BONUS offices in Helsinki on September 8, 2014, questions on the establishment of an Art. 185 measure – especially the one for the Baltic Sea Region – were discussed (agenda and questions see Annex II).

Several points were emphasised by BONUS staff during the meeting when presenting facts about BONUS:

- The strategic phase at the beginning is very important to define the Strategic Research Agenda; no Feasibility Study was carried out for BONUS.
- The stakeholder landscape has to be analysed depending on their influence on and their interest in the potential programme; stakeholders can play different roles: funders, members, owners.
- No Structural Funds are used for the financing of BONUS.
- As there are two funding sources (1. National contributions, 2. European Commission), the coordinators of the funded projects get their budget from two funding sources and therefore have a double reporting to fulfil.
- Research infrastructures can be used by the partner countries as in kind contribution; this can help unblock the problematic situation if projects from the ranking list cannot be funded anymore because of shortening of one country's budget.
- In BONUS calls, it is mandatory that all countries participate; there is no variable geometry; this can be seen as an advantage since it creates solidarity among the partner countries and no country is left behind.
- EU MS not belonging to the region can participate/receive 25% of funding from BONUS.

- Argument for Art. 185 compared to other instruments for the Baltic Sea Region: co-financing by the European Commission, and higher position and visibility in the national and regional landscape; research stakeholders have a better “standing” than before.
- When looking for an alternative, for a JPI a “niche” has to be found since many topics are already taken by other JPIs.
- When BONUS started, art. 185 measures were new and the Commission very much supported the initiative (even suggested to EU MS); now after the experiences of some Art. 185 measures, the opinion might have changed and be less optimistic, since it is a very long and heavy process; in H2020 the criteria for a new Art. 185 measure are formulated in a much stricter way.

#### General recommendations by BONUS:

- The “BONUS cook book” (Andrusaitis A. et al. 2009) gives recommendations based on the experiences made during the BONUS call; among others, there are recommendations about the preparation of the dedicated structure’s normative documents and the Science Plan, on several aspects of the BONUS+ call (financial aspects, the submission and evaluation of proposals, additional funders) and on the gender balance.
- It is very helpful to start with an Era-Net first in order to build trust, get to know each other and set the procedures.
- Start with 2 important actions: policy framework analysis and programme advocats (stakeholder consultations).
- Avoid – if possible - funding the projects from two funding sources) since this considerably increases the administrative burden; try to merge the funds and so that funds are administered centrally..
- Funded projects should be “big and long enough” to have an output to the policy level.
- There are more than 80 publications available in the BONUS Secretariat and the website; this shows that communication processes are considered very important: among the Secretariat staff, there is a communication manager.

#### **4.1.6 Lessons from BONUS for the Danube region**

As for the Baltic Sea Region, it might be an option to consider a more extensive coordinated funding mechanism also for the Danube region as macro region; thus, the Art. 185 instrument should be assessed for its adequacy. However, the Danube region is not comparable to the Baltic Sea region due to several aspects (f. ex. the number of countries; number of EU Member States and non-EU Member States, economic development, etc.). Therefore, the recommendations from the experiences made in the BONUS programme have to be verified when it comes to the conceptual design of a possible Art. 185 measure for the Danube region.

Some general recommendations are certainly valuable when starting such an initiative, such as the analysis of stakeholders and the development of the strategic research agenda. Other characteristics of BONUS might be considered in a different way for the Danube Region, i.e. the use of Structural Funds and other EU funding instruments such as IPA II and ENPI would be of great interest for the Danube Region. However, financing projects from two or more funding sources and the related double or multiple reporting may not be a good option for the countries of the Danube region from the administrative point of view; a practicable solution (decentralised administration of funds?) should be sought here. Furthermore, the model of variable geometry when launching a call can be

considered a good and flexible way; this could be of use when defining thematic areas or call topics when not all countries have set their priorities in the same specific scientific fields. Last but not least, the framework conditions at European level are not the same; when BONUS started, it was one of the first Art. 185 (at that time Art. 169) measures supported by the European Commission and other stakeholders. Now that the programme has been running for several years, the awareness of the stakeholders on the high efforts to commit, the complexity of the instrument in the coordination and the lengthy duration for the establishment of such a measure may have caused a certain reserve towards the establishment of new Art. 185 measures (especially in the European Commission).

## 4.2 Towards an Art. 185 programme for the Danube Region

### 4.2.1 Rationale, necessity and requirements for undertaking such an initiative

If considering the undertaking of an Art. 185 programme for the Danube, it has to be taken into account in relation to new Art. 185 measures that “... such initiatives shall only be proposed in cases where there is a need for a dedicated implementation structure and where there is a high level of commitment of the participating countries to integration at scientific, management and financial levels” (see background documents and the official website of the Commission). In addition, proposals for initiatives shall be identified on the basis of all of the criteria given in chapter 4.1.1.

In the following table, some arguments are collected trying to answer the requested criteria in relation to the Danube region; however, the need for clear statements and definitions is also very obvious and has to be thoroughly discussed when starting an Art. 185 measure for the Danube region:

Art. 185 criteria	Arguments for criteria fulfillment
Need for the measure	<p>Many programmes are running in the region in an uncoordinated manner (result: fragmentation, loss of impact, duplication of work); provide framework for cooperation. Most of the 124 EUSDR project examples from the EUSDR Action Plan were still at the stage of an idea, in the preparation phase or face difficulties in being launched (88%) which highlights the importance of identifying the persisting needs for implementing the EUSDR (Schneidewind et al. 2012). The difficulties identified are</p> <ul style="list-style-type: none"> <li>• incompatibility of regulations for funding instruments in the Member States and outside the EU (IPA, ENPI) inhibiting cooperation across some Danube Region Countries;</li> <li>• Bureaucratic barriers, such as administrative burden, timing of calls, lack of qualified/ experienced staff, etc.;</li> <li>• The lack of pre-financing poses major challenges for many applicants who have to finance preparation and implementation from their own resources until reimbursed, frequently after more than 6-8 months; Co-financing involves complex process everywhere, and it has become increasingly difficult especially in the context of the economic recession.</li> <li>• Small projects face significant difficulties in finding the appropriate funding mechanism and overcoming</li> </ul>

	<p>administrative barriers;</p> <ul style="list-style-type: none"> <li>• Project preparation requires further support given that the study has demonstrated that the large majority of planned projects is still at conception stage or face difficulties in being launched.</li> <li>• Information about financing opportunities is insufficiently well disseminated;</li> <li>• Member States` and programme authorities` have to truly commit to the EUSDR.</li> </ul> <p><i>However, it has to be discussed by all relevant stakeholders from the Danube countries and the Commission if there is an explicit necessity for an Art. 185 instrument, or if alternative instruments which are contributing to a systematic coordination of funding mechanisms should be given preference (see below argument for “Efficiency of Article 185 TFEU as the most appropriate means for achieving the objectives”).</i></p>
<p>Relevance to EU objectives</p>	<p>High relevance to the objectives of the EUSDR is given: “Better coordination and cooperation between the countries and regions is needed to address the challenges environmental threats (water pollution, floods, climate change), untapped shipping potential and lack of road and rail transport connections, insufficient energy connections, uneven socio-economic development, uncoordinated education, research and innovation systems, and shortcomings in safety and security.”; coordination of funding mechanisms contributes to this aim.</p> <p>The EUSDR contributes to EU objectives, reinforcing major EU policy initiatives, especially the Europe 2020 strategy (European Commission 2010). To reinforce the integration of the whole Region, the EUSDR aims to strengthen EU policies and legislation implementation in the area. It provides political support to current initiatives and raises their visibility. In particular, some actions decided in the framework of existing bodies are part of the Action Plan. In addition,</p> <ul style="list-style-type: none"> <li>• Europe 2020 is the key EU commitment to jobs and smart, sustainable, inclusive growth, which the Strategy will consolidate. The EUSDR, with its vision for the Danube Region in 2020, reinforces the five headline targets of Europe2020. It supports sustainable growth, aiming to reduce energy consumption, increase the use of renewable energies, modernise the transport sector by making it more environmentally friendly and more efficient, and to promote ‘green’ tourism. It helps remove internal market bottlenecks and improves the business environment.</li> </ul> <p>Consistency with EU legislation and policies is at the core of the EUSDR. It addresses implementation gaps, and practical or organisational difficulties leading to lack of results. It</p>

	<p>supports better implementation of EU legal obligations, especially in relation to the Single Market and the environment. It also contributes to policies such as transport (TEN-T currently under revision, as well as the future transport policy for countries), energy (TEN-E) networks, the strategy for the Single Market (Single Market Act) and the Digital Agenda. The EU post-2010 biodiversity target and strategy, with its 2050 vision and a 2020 target, is also reinforced. As the gateway to neighbours in Europe and onwards to Asia, the Region is crucial in supporting other EU external policies, in line with the European Neighbourhood and Cohesion Policy and its regional initiatives (e.g. the Eastern Partnership).</p>
<p>Clear definition of the objective to be pursued and its relevance to the objectives of the Framework Programme</p>	<p>Objectives and a vision of a coordinated funding mechanism for the Danube have to be defined in a first step; close cooperation with the DRRIF Working Group and further investigations of the DRRIF feasibility study will play a major role for the further discussion. Relevance to objectives of Horizon2020 is given (emphasis on excellent science, industrial leadership and societal challenges; ensure Europe produces world-class science, removes barriers to innovation and makes it easier for the public and private sectors to work together in delivering innovation)</p>
<p>Clear financial commitments of the participating countries</p>	<p>Financial commitments by the participating countries are a necessary precondition in the beginning of the undertaking; the results of the DRRIF feasibility study and further discussions in the PA7 DRRIF WG should give a better picture of the commitment (spring/summer 2015)</p>
<p>Presence of a pre-existing basis (existing or envisaged research programmes)</p>	<p>European Regional Development Fund (ERDF) finances 74 Operational Programmes (OP) of relevance to the EUSDR (but not only research); European Territorial Cooperation programmes (ETC) concentrate on the very essence of cross-border/ transnational cooperation; 15 ETC programmes Having or getting started: Danube-INCO.NET (Advancing Research and Innovation in the Danube region); Danube Transnational Programme 2014-2020 (ETC programme by DG REGIO), BMBF multilateral Danube call by the Ulm Follow Up Working group (spring 2015), DRRIF (Feasibility study, DRRIF WG);</p>
<p>European added value</p>	<p>Reduce fragmentation, avoid duplication, support EUSDR and its implementation, stimulate education and innovation; increase of the overall competitiveness in R&amp;I, Contribution towards a more cohesive European Union, avoidance of brain drain from the Region, ...</p>
<p>Critical mass, with regard to the size and the number of programmes involved and the similarity of activities they cover</p>	<p>38 financial instruments exist in the Danube Region, European Commission is the main donor and cooperates with many other institutions such as banks and international organizations; European Investment Bank (EIB), European Bank for Reconstruction and Development (EBRD), European Investment Fund (EIF), Council of Europe Development Bank (CEB), International Bank for Reconstruction and Development as part of the World Bank Group (IBRD),</p>

	<p>Europe Science Foundation. (Schneidewind et al. 2012, METIS study), 14 countries, 400 projects (150 in implementation phase); 74 Operational Programmes funded by the European Regional Development Fund (ERDF) are thematically and geographically relevant for the Danube Region (Structural Funds). The total funding of these 74 OPs amounts to 60.7 Bn. EUR in the period 2007-2013. Furthermore 15 ETC programmes relevant for the Danube Region with 1.15 Bn. EUR (OP Central Europe and the OP South-East Europe);</p> <p>The following instruments are examples of highly relevant instruments managed by the European Commission, beside Structural Funds:</p> <ul style="list-style-type: none"> <li>• The 7th Framework programme for Research and Technological Development 2007-2013 covers all countries of the Danube Region and Priorities 1 (Connecting the DR), 2 (Protecting the Environment) and 3 (Building Prosperity).</li> <li>• For the period of 2007-2013, there are 50,521 million EUR available (or approximately 721 million EUR per year).</li> <li>• The Life-Long Learning Programme 2007-2013 is relevant for all Danube Region countries that are EU MS and Croatia and is relevant for projects falling under Pillar 1 and Pillar 3. For 2007-2013, 6,970 million EUR are available (or approximately 995 million EUR per year).</li> <li>• The Competitiveness and Innovation Framework Programme (CIP) is highly relevant for projects under the Pillars 1 and 3 and accessible for all Danube Region countries except of Bosnia-Herzegovina, Ukraine and Moldova. For the 2007-2013 period 3.6 billion are available.</li> </ul> <p>In total, around 1,069 billion EUR have been available on average per year from the instruments with non-repayable grants examined in this report.</p>
Efficiency of Article 185 TFEU as the most appropriate means for achieving the objectives	To be discussed;

**Table 2: Criteria and conditions for undertaking an Art. 185 measure**

As stated in chapter 4.1.1., implementing and Art. 185 measure in a EU Framework Programme (Horizon2020) implies that the participating EU Member States integrate part of their research efforts in a joint research programme, in which the EU promotes the voluntary integration of scientific, managerial and financial aspects. This means in detail:

- Scientific integration:
  - Existence of national programmes or activities
  - Integration to a joint scientific programme
  - Selection of proposals based on scientific excellence (single international peer review)
- Management integration:
  - Independent single joint management structure (DIS) – own staff

- Well defined governance -legal body and role as DIS
  - Clear roles and responsibilities between participating countries/DIS and EC
- Financial integration
- Strong irrevocable political/financial commitments by participating countries
  - Pre-allocated budget per year
  - Follow Commission rules for “delegation” ex-ante audit (indirect centralised management FR – financial rules)

Furthermore, important framework conditions and preconditions are also to be respected: Participating Member States (MS), Associated countries (AC) and Third Countries (TC) are the driving force, thus a strong commitment is necessary from them. However, launching such an initiative means to work together: a good and meaningful co-operation between the European Commission, EU MS and AC is needed, where the EU MS, the AC and the TC steer the Strategic Research Agenda and the activities. An ordinary legislative procedure in European Parliament and European Council has to be followed: the European Commission proposes the initiative formally to Council and Parliament, i.e. the Commission “designs” the proposal. Furthermore, the Economic and Social Committees are consulted.

When examining the possibilities for undertaking a new Art. 185 measure for the Danube, at first the necessity of this measure also in relation to the planned Danube Region Research and Innovation Fund (DRRIF) has to be clarified. Once (and in case) such a DRRIF will be established, the further development towards an Art. 185 measure has to examine the added value for the region. As the DRRIF Feasibility study is still ongoing (planned until March 2015), only very preliminary results are available at this point of time allowing only vague estimations of its future scope, format and implementation. As regards the funding, an important difference would certainly be the co-funding by the European Commission (Horizon2020).

Consequently, the following questions have to be asked and answered at the beginning:

1) Which will be topical/scientific content? From which EU funding sources/programmes will the EU contribution be provided, which national authorities/programmes will contribute and which impact will this have on the content of the programme? The thematic focus of the programme can strongly influence the joint programme design and the governance. The topical/scientific content is key to communicate with MS, AC and Third partner countries.

2) Which Dedicated Implementation Structure (DIS) will be chosen? There are two major tasks for the DIS: a) strategic guidance and orientation of the programme, but also b) implementing the programme calls/projects/contracts/money flow; thus, operational capacity is needed. The EU Commission will negotiate with the DIS and carry out the ex-ante audit with it. If existing structures for the implementation structure can be used, this may be an operational advantage. A good example is the EUROSTARS initiative under EUREKA with its strong political governance and operational office in the EUREKA secretariat. If the structure has to be created, this needs time and confidence

3) Will Associated/Third Countries participate and be funded? If H2020 Rules for Participation apply, the funding will be carried out according to the final rules of Horizon2020; if exceptions are to be made, they have to be defined in the Decision. If the rules do not apply, they have to be defined in

the Decision as outlined in the joint programme; as an example: in the EDCTP initiative, about 3/4 of the EU funding is dedicated to African partner countries. Furthermore, bilateral agreements have to be signed between the AC and TC and the EU. Example: in the BONUS initiative, an association agreement was signed with Russia. However, in the upcoming PRIMA initiative for the Mediterranean countries, the form of participation of the third partner countries is being discussed. In the current situation for the EUSDR and the Danube Region, there are 9 EU Member States and 5 non-EU Member States. Out of these 5 non-EU MS, 4 countries are associated to H2020 (Bosnia and Herzegovina, Moldova, Montenegro, Serbia) while Ukraine is considered as a Third Country.

The following box gives an overview of the necessary steps for the start and the implementation of an Art. 185 measure in general:

**Steps to start and implement an Art. 185 initiative (after Wittke, see chapter bibliography):**

1. The concerned EU Member States put a joint programme forward to the Commission services to join in via Art. 185 and identify the Designated Implementation Structure (DIS).
2. If the activity falls within Framework Programme, the Commission may consider negotiating with the involved DIS a proposal.
3. EU Commission does an ex-ante impact assessment.
4. EU Commission puts forward a proposal to the European Council and the European Parliament.
5. Council and Parliament agree or not (they may amend).
6. Decision of Council and Parliament is adopted and published.
7. EU Commission conducts an ex-ante audit of the DIS.
8. An agreement (contract) between the EU Commission and the DIS is negotiated.
9. After signature of the agreement, the activity enters into force.
10. States participating in the initiative provide annual contributions based on annual agreement, report and planning.

**4.2.2 Comparison of Art. 185 measure with other instruments<sup>15</sup>**

In recent years, different coordination instruments were developed by the European Commission and the member states. They were established to support the coordination of national research programmes and efforts. The variety of instruments offers the involvement of different stakeholders as well as different levels of integration within the respective coordination measure.

Based on the analyses of their national and regional needs and priorities, member and associated states need to consider the shape of coordination instruments and activities for their involvement in these. The NETWATCH Platform is proposing a table with different criteria and indicators which support the selection of the appropriate instrument/funding measure (currently under revision)<sup>16</sup>.

There are several instruments for the coordination of funding mechanisms in a region that can be operated at different levels. In the table below (Table 2) and in the following text some descriptions for possible instruments that could be potentially applied in the Danube region are given.

<sup>15</sup> Source: Woiwode von Gilardi & Kunze (2014). ERA and Innovation Union: transnational cooperation of national programmes in the Danube region. Discussion paper preparing the first Danube-INCO.NET policy dialogue workshop held on "Innovation Union and ERA in the Danube Region" (Task 2.3), July 10, 2014, Belgrade, Serbia.

<sup>16</sup> <http://netwatch.jrc.ec.europa.eu/web/lp/learning-platform/toolbox/smart-coordination/criteria-and-indicators>

Instrument	Description	Advantages and disadvantages
ERA NET Cofund (Horizon2020)	Top-up funding of single joint calls for transnational research and innovation in selected areas with high European added value and relevance for Horizon 2020	“Simplest” instrument with shorter duration, financial contribution by the European Commission, commitment by countries necessary but only for limited duration, no need for legal implementing structure
JPI (Joint Programming Initiatives)	Coordinate/Integrate national research programmes to address a societal challenge	Thematic, not regional; can enable and support small and less research intensive (LRIs) countries participating in JPIs (Danube downstream countries), funding only by national contributions <sup>17</sup> ; Functions on voluntary basis (voluntary guidelines) <sup>18</sup> and variable geometry, open access to EU Member States
EUREKA	decentralised network facilitating the coordination of national funding on innovation, bottom-up approach	Decentralised, bottom-up approach, only market oriented research, well established and proven for 30 years, no financial contribution by European Funds
ART 185	Integrate fully national and European research programmes in a selected area at 3 levels: scientific, financial, managerial	Complex and lengthy procedure of development, establishment and implementation; financial contribution by the European Commission; strong commitment by all participating countries for a long duration necessary; “deepest” integration of funding mechanisms and programmes

**Table 3: Instruments for coordination of funding**

#### **4.2.2.1 The ERA-NET COFUND instrument**

The ERA-NET COFUND instrument under Horizon 2020 is designed “to support public-public partnerships in their preparation, establishment of networking structures, and design, implementation and coordination of joint activities as well as topping up of single joint calls and of actions of a transnational nature. It merges the former ERA-NET and ERA-NET Plus into a single instrument with the central and compulsory element of implementing one substantial call with top-up funding from the Commission.”<sup>19</sup> The focus of ERA-NET COFUND is therefore shifting from the funding of networks to the top-up funding of single joint calls for transnational research and innovation in selected areas with high European added value and relevance for Horizon 2020. This aims at increasing substantially the share of funding that Member States dedicate jointly to challenge-driven research and innovation agendas. Financial contributions of Member States (or AC)

<sup>17</sup> Additional European funds are available for specific JPIs depending on additional benefit, structuring effect of European funds and a clear European dimension ("European added-value")

<sup>18</sup> [http://ec.europa.eu/research/era/docs/en/voluntary\\_guidelines.pdf](http://ec.europa.eu/research/era/docs/en/voluntary_guidelines.pdf)

<sup>19</sup> [http://ec.europa.eu/research/era/era-net-in-horizon-2020\\_en.htm](http://ec.europa.eu/research/era/era-net-in-horizon-2020_en.htm)

can be in cash or in kind in order to broaden the scope of ERA-NETs towards the coordination of institutional funding of governmental research organisations.

#### **4.2.2.2 Joint Programming Initiatives (JPIs)**

The Joint Programming process launched by the Commission in 2008 and adopted by the Competitiveness Council is tailored to pool national research efforts in order to make better use of Europe's public R&D resources and to tackle common European challenges more effectively in key areas. The High Level Group on Joint Programming (GPC) of the ERAC is mandated to steer the process and identify the themes for possible Joint Programming Initiatives (JPIs). Joint Programming is a strategic approach (and not an instrument), through which a more efficient and more effective public R&D funding in Europe shall be reached. Through the identification of societal challenges of common interest (JP themes) and the transformation into JPIs with Strategic Research Agendas (SRA) and concerted activities, it contributes to the strengthening of Europe's capacity to transform the results of its research into tangible benefits for society and for the overall competitiveness of its economy. This also means a reinforced political commitment by Member States to produce common or concerted responses. JPIs aim at the definition and implementation of a SRA on voluntary basis, in variable geometry and with open access for Member States. In its implementation phase an individual JPI typically launches joint calls and/or joint activities.

National funds could be either fresh competitive funding allocated to specific joint calls or in-kind contributions of research organizations directed to jointly agreed specific activities. Member States may also take advantage of structural funds to support the participation in activities of a JPI. At the beginning, management costs are carried by each of the partners involved in a JPI. Moreover, under FP7 several calls for Coordination and Support Actions (CSA) were published with a volume of about 2 Mio. €. Individual JPI could apply in order to finance management and coordination activities (e.g. set-up of a secretariat). In Horizon2020, consideration may be given to support relevant JPIs and relevant public-public and public-private partnerships, especially in section III (Societal Challenges).

The following Joint Programming Initiatives (JPIs) have been launched to date<sup>20</sup>:

- Alzheimer and other Neurodegenerative Diseases (JPND)
- Agriculture, Food Security and Climate Change (FACCE)
- A Healthy Diet for a Healthy Life
- Cultural Heritage and Global Change: A New Challenge for Europe
- Urban Europe - Global Urban Challenges, Joint European Solutions
- Connecting Climate Knowledge for Europe
- More Years, Better Lives - The Potential and Challenges of Demographic Change
- Antimicrobial Resistance- The Microbial Challenge - An Emerging Threat to Human Health
- Water Challenges for a Changing World
- Healthy and Productive Seas and Oceans.

Danube countries are involved in all 10 currently running JPI's. Moldova is the only non-EU Member State that participates in JPI's, namely those supporting research on water and cultural heritage/global change. Some initiatives have developed their own policy for working with non-EU Member states, i.e. associated countries and third countries. The Summary Conclusion of the JP Conference Dublin, February/March 2012 highlighted three key words that resulted from the

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<sup>20</sup> [http://ec.europa.eu/research/era/joint-programming-initiatives\\_en.htm](http://ec.europa.eu/research/era/joint-programming-initiatives_en.htm)

discussions that can enable and support small and less research intensive (LRIs) countries participating in JPIs: Persuasion, positioning of JPIs and organisation. JPIs need to be persuasive through proving the added value of what they do, through being transparent in the process and by considering LRIs concerns. Placing JPIs higher in the priorities of national administrations and national research programming was equally identified as important for motivating LRIs along with the need to offer easy -entry participation mechanisms to the JPIs. For the latter, the concept of the “knowledge hub”<sup>21</sup> was proposed as a cross-cutting platform throughout all JPIs, offering overall information on each JPI’s stage of development, strategic research agendas (SRA) and participation schemes (ongoing joint activities, calls etc.) so as to enable LRIs to quickly and easily have access to information on the basis of which strategic decisions on participation can be taken. Last but not least, smart specialisation strategies allow LRIs to concentrate on their strengths and engage in JPIs based on common features.

The ten JPI’s have established their own governance structures and have developed strategic research agendas (SRA), or are in the final stages. Further initiatives are not planned yet because the establishment of new initiatives needs an evaluation of the existing ones. The overall conclusion reached by the Expert Group is that the Joint Programming process has got off to a good start, although the process can only reach its full potential if commitment and financial support from national level administrations continues. In some cases participating public authorities are already working to orientate and align their programmes and their funding in order to contribute to the overall implementation of JPIs in a coherent manner. Variable geometry, that is, participation on a voluntary basis, has proven to be a contributory success factor for JPIs.

The current challenge for the JPIs is the effective implementation of the SRAs through joint activities, and the alignment of funding at national and European level. Political commitment for Joint Programming was renewed during the JP conference in Dublin 2012 by Member States, stakeholders and the European Commission (see above). In this regard, the contribution of the JPIs to the completion of the ERA has recently been noted by the Council in its conclusions of 20 and 21 February 2014.

#### **4.2.2.3 EUREKA**

EUREKA is an intergovernmental organisation for market-driven industrial R&D. “It is a decentralised network facilitating the coordination of national funding on innovation aiming to boost the productivity & competitiveness of European industries. Following a bottom-up approach with projects being in any technological area with a civilian purpose, EUREKA has been the driving force of innovation in Europe for over 25 years.”<sup>22</sup>

Founded in 1985, to challenge the increasing migration of R&D and industrial innovation to Asian and North-American countries, EUREKA now unites over 40 countries and also includes the European Union (represented by the European Commission). Together, they promote international, market-oriented research and innovation through the support they offer to small and medium-sized enterprises, large industry, universities and research institutes. Through EUREKA, these organisations

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<sup>21</sup> A respective call under Horizon 2020 was opened under the topic Towards joint programming under Horizon 2020 supporting, i.a. the development of a Programming 'Knowledge Hub' (date of closure 29 April 2014): <http://ec.europa.eu/research/participants/portal/desktop/en/opportunities/h2020/topics/2473-inso-7-2014.html>

<sup>22</sup> <http://www.eurekanetwork.org/about>

are introducing new products, processes and services to market, helping make Europe economically strong and socially sound. The National Project Coordinators (NPC) are at operational level, running the National EUREKA Offices. They are the direct contact with project in each member country. NPCs facilitate the setting-up and running of a project and are responsible for project generation, national and international support and follow-up.

In the frame of Danube-INCO.NETs Work package 6 / Task T6.1, a jointly organised call for Danube countries with the EUREKA Danube contact persons is in preparation and is planned to be published in March 2015.

#### **4.2.3 Existing initiatives in the Danube region**

A future possible Art. 185 measure should build on existing initiatives and programmes; for instance, there are many activities carried out in the Danube region and the R&I landscape is rich in different actions and programmes. Currently, the Danube-INCO.NET is one of the main operational platforms for the implementation of the EUSDR and it supports the development of a DRRIF (Danube Region Research and Innovation Fund) by coordination of funds. In this context, a “DRRIF Working Group” acting under PA7 and led by the Austrian Ministry (BMWFW) was set up in order to monitor the establishment of DRRIF and to harmonise the developments. In close cooperation, a “DRRIF Feasibility Study” shall elaborate the possible development and implementation of such a DRRIF. In parallel (and as a kind of preparatory phase for a DRRIF) the establishment of a Funding Parties Platform is foreseen in the frame of Danube-INCO.NET (WP 6, Task T6.1) to support the coordination of funding in the Danube region. The aim is to bring together funding bodies to eventually launch a (pilot) call for multilateral projects; additionally, a joint call for projects with applied research and industry cooperation is foreseen to be launched in 2015 in close cooperation with the EUREKA programme covering the Danube region territory (see 4.2.4.3). Based on the experiences made in these initiatives, further steps can be conceived in order to reach a common understanding for future harmonised and coordinated funding scheme for the Danube Region.

A scientific base for the implementation of the EUSDR and the establishment of an Art. 185 measure for the Danube region constitutes the initiative “Scientific Support to the Danube Strategy” by the Joint Research Centre (JRC) of the European Commission. In the course of this initiative, a consultation process with many scientists and policy makers from the region was carried out and four scientific clusters were identified as most relevant for the Danube region. Furthermore, three horizontal activities were included for the reason of being part of the ESF ex-ante conditionalities.

A new programme in the European Territorial Cooperation is the Danube Transnational Programme 2014-2020 based on the new regulatory framework<sup>23</sup> providing that relevant transnational cooperation programmes shall assist the implementation of macro-regional strategies to ensure a consistent approach between them. The European Commission has proposed that the new Danube programme will support the development and implementation of the EUSDR. Thematic priorities of the Danube programme will be defined in line with the relevant draft EC legislation, the national priorities of Partner States, and reflect the needs of the programme area. Topics to be addressed by the programme priorities may include many of the traditional transnational cooperation topics, like innovation, transport, environment, etc. Implementation of the programme will be coordinated by joint structures set up in Budapest, Hungary. Implementing structures of the programme are designed in a new institutional setup, taking into account simplification and transnationality as

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<sup>23</sup> EC Draft Common Provision Regulation, Annex 1, Article 7(2) and Draft ETC Regulation, Article 3(3)

guiding principles. The objectives, priorities and the amount of funding allocated to the future transnational cooperation Programme for the period 2014-2020 were negotiated and the overall financial envelope is agreed upon; the new programme global ERDF contribution is 202,3 million € and the IPA contribution 19,8 million €.

At national level, an example for a multilateral initiative is the “Ulm Follow up Working Group” which has been set up after the Ministerial Conference in July 2012 in Ulm/Germany and is led by the German Federal Ministry of Education and Research (BMBF). This group dedicates its work to the opening up of national programmes and/or bilateral agreements to other Danube countries. In concrete terms, a BMBF-call is planned for beginning of 2015 to support joint projects and innovative networks in the Danube region. All Danube countries are invited to join and co-finance the researchers from their countries; interest has already been signaled by several Danube states. In the past, two other multilateral calls launched by BMBF have proven very useful to support the transnational cooperation; they targeted Middle and Central East Europe and the Danube region.

These examples show that smaller initiatives/programmes can have a solid impact on a short term basis, being actions with few administrative barriers.

Another initiative of relevance for most of the Danube region is the recently finished WBC-INCO.NET (Western Balkan countries INCO.NET), committed to the coordination of research policies with the Western Balkan countries. In the frame of this project, the support of the regional policy dialogue, among them mainly the meetings of the “Steering Platform on Research of the Western Balkan countries” was high on the agenda. One important result of WBC-INCO.NET is the identification of regional research priorities for the Western Balkans in the fields of AgroFood, ICT, Health, Environment, Transport, Social Sciences and Humanities and Energy; an exercise that successfully proves the results of a consultation dialogue and harmonisation efforts of several countries in a region.

There are also important efforts undertaken by the Regional Cooperation Council (RCC) which promotes mutual cooperation and European and Euro-Atlantic integration of South East Europe in order to inspire development in the region to benefit its people. RCC has recently published its South East Europe (SEE) 2020 strategy<sup>24</sup> with the aim to improve living conditions in the region and bring competitiveness and development back in focus, closely following the vision of the EU strategy Europe 2020. In this area, SEE 2020 builds upon the efforts already invested by SEE countries in developing a joint regional R&D Strategy for innovation. This Regional R&D Strategy for Innovation in the Western Balkans includes the establishment of a regional platform on research and innovation called WISE (Western Balkans Research and Innovation Strategy Exercise). This platform will promote regional collaboration, and will be tasked to implement the Regional R&D Strategy for Innovation, being at the same time coordinator of the R&D and Innovation dimension of the SEE 2020. WISE might be an important structure for the Southeast European Countries and influence additional structures and initiatives to be taken.

To mention in this regard is also the SEE-ERA.NET PLUS project, an EU funded project in FP7 with a consortium of 17 institutions from 14 countries. Building on the successful forerunner project SEE-ERA.NET in FP6, where a pilot joint call was launched, SEE-ERA.NET PLUS launched and implemented a Joint Call for „Joint European Research Projects“(JERPS). With a total call budget of approximately

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<sup>24</sup> <http://www.rcc.int/pages/62/south-east-europe-2020-strategy>

3.5 Mio €, 23 JERPS with a duration of up to two years were funded through a real multilateral funding activity, topped up by budget from the European Commission. For the Joint Call, two topics identified as regional research priorities in WBC-INCO.NET (see above) in the fields of AgroFood and ICT were used. The central administration of the call was done by a Joint Call Secretariat responsible for the national funds and the contribution of the European Commission. The lessons of SEE-ERA.NET PLUS should be considered when defining concrete steps for the implementation of an Art. 185 measure for the Danube region.

#### **4.3 Roadmap – suggested procedure for a possible Art. 185 measure**

Generally, it should be examined if the undertaking of an Art. 185 initiative for the Danube region is the adequate and necessary measure and instrument to achieve the objective of a coordinated joint funding programme for the Danube. The development and implementation of the planned Danube Region Research and Innovation Fund (DRRIF) should closely be monitored for this examination. Important prerequisites have to be respected and a strong commitment by the participating political and administrative stakeholders is crucial to start upon such a measure.

It could be an option to start first with “smaller” measures, f. ex. an Era-Net COFUND as was performed in the case of the BONUS initiative in the Baltic Sea (Era-Net and Era-Net PLUS). Such an instrument would provide experiences and lessons in a basic cooperation and coordination phase before achieving the complete integration of programmes and further scaling up funding mechanisms to an Art. 185 measure. It might even be stated that an Era Net is a necessary precondition for an Art. 185 measure (even though not legally binding): “Article 185 TFEU (ex Article 169 TEC) initiatives build on the ERA-NET scheme, which aims to develop and strengthen the coordination of national and regional research programmes through two specific actions, 'ERA-NET actions' and 'ERA-NET Plus actions'. This scheme facilitates the possibility for national programmes to test their capacity to integrate further, in some cases up to the stage where an Article 185 TFEU initiative could be contemplated.”<sup>25</sup> Well proven initiatives such as BONUS strongly recommend to first having an Era Net and/or Era Net PLUS for building trust among the funding partners, to know each other better and to set up the procedures.

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<sup>25</sup> [http://cordis.europa.eu/fp7/art185/about-185\\_en.html](http://cordis.europa.eu/fp7/art185/about-185_en.html)

The following table suggests steps to be taken in a proposed roadmap towards a possible Art. 185 measure under the condition that there is strong commitment by the Danube countries and a decision is taken. N.B.: This table is not exhaustive and has to be further developed and adapted in course of the Danube-INCO.NET project and of the DRRIF Feasibility Study.

	<b>Actions</b>	<b>Players</b>
STEP 1	Era-Net COFUND/pilot project (?)	Funding agencies/Programme owners
Preparatory / strategic phase (approx. 2-3 years)		
		A discussion of all detailed points from the list above is necessary.
STEP 2	Start initiative Art. 185 programme for the Danube; find leader(s) strongly committed to the initiative to push forward (EU Council presidency?); identify pre-existing national programmes, define value added for EU and scope in relation to (then established?) DRRIF; political and financial commitment by (all) Danube countries to provide funding and irreversible national support is necessary; create adequate dialogue forum for kick off meeting and to discuss draft papers, also at High Level (informal/formal) EU Council meetings, Competitiveness Council	Brought forward by Danube leading country/party, committed Danube countries participating in the measure (nominated contact persons and /or High Level players), EU Member States/Associated countries, European Commission Support by Danube-INCO.NET (if still ongoing)
STEP 3	Install Core group, Secretariat (?), and Working groups for financial aspects, legal issues, mapping, roadmap, themes/topics.	Core group members, Secretariat, Working group leaders and members
STEP 4	Define objectives, mission and vision of an Art. 185 Danube measure, also indicative timeline; define complementarity and coherence to other initiatives (along the objectives of EUSDR) as well as realisability. Perform mapping/state of the art using existing information: national and transnational structures, programmes, initiatives, priorities, activities to build upon (DRRIF WG and Feasibility Study or – if already existing - DRRIF, Ulm Follow up Working group), liaise with stakeholders.	Working groups, players of other initiatives and EUSDR, European Commission
STEP 5	Develop Science Plan, Strategic Research Agenda, Joint Scientific Research Programme and an Implementation Strategy; elaborate common work-plan, sound governance structure, define fixed national financial contributions, clear evaluation criteria and procedures, clear deliverables and solutions for the liability issue. Perform a stakeholder analysis in order to examine the interest and	Core group

	the influence of potential stakeholders. Analyse policy framework and the framework of programme advocats (stakeholder consultation).	
STEP 6	Strong irrevocable legal/financial commitment by (all) Danube countries; pre-allocated budget per year; follow Commission rules for “delegation” ex-ante audit	Danube countries (nominated contact persons and/or High Level players)
Implementation phase (approx. 5 years)		
STEP 7	Establish Dedicated Implementation Structure (DIS) as an independent joint management structure with own staff (EEIG?); it needs well defined governance, legal body and role as DIS; definition of clear roles and responsibilities between Member States/Associated countries, DIS and EC; impact assessment, audit, start negotiations	DIS; European Commission
STEP 8	Conclude Implementation agreement between EU KOM on behalf of Union and DIS (EEIG?)	European Commission; DIS
STEP 9	Develop and endorse Strategic Research Agenda (to be updated); should include strategic objectives and themes; stakeholder consultation platform, define implementation modalities; prepare pilot call/call(s), ex-ante audit	Core group, Danube countries (nominated contact persons and /or High Level players)
STEP 10	Start Collaborative programme; launch of call(s), call management (provide consulting services for proposers, collection of proposals, evaluation procedure with peer reviewers, selection of proposals based on scientific excellence/single international peer review); prepare funding	DIS

**Table 4: Steps for a Roadmap towards a possible Art. 185 programme for the Danube (not exhaustive)**

## 5 Discussion, conclusions and recommendations

### 5.1 Art. 185 in the Danube: Adequacy, specificities and limitations

The overall objective for coordination of funding mechanisms - which is also a leading principle for the establishment of a DRRIF - is to overcome fragmentation in the Danube region, to avoid duplication of work and to build up a superordinate framework for transnational cooperation. Considering the multiplicity and complexity of instruments and programme in the Danube Region, there is an apparent need for coordination of R&I funding instruments and strategies and to overcome the divide between upper and the lower Danube region.

The feasibility and relevance of using an Art. 185 measure for the Danube region, combining national funding sources with co-funding from the European Commission, has come-up in discussion on how to best implement the EUSDR in the area of research and innovation. Therefore, this idea has been taken up in the Description of Work of the Danube-INCO.NET as Task T6.2. The present deliverable D6.11 examines framework conditions and possibilities for the implementation of such a measure in the Danube region in the near future.

The question whether an Art. 185 measure is the adequate instrument for the coordination of funds in the Danube region or if “smaller and faster”, but also more flexible instruments are more suitable has to be generally discussed. A set of general questions has to be answered by the relevant stakeholders of the Danube region:

- 1) Which countries can participate under which conditions? Should all concerned 14 Danube countries (9 EU member States, 5 non-EU Member States) take part? Will it be on a mandatory or on a voluntary basis? What kind of commitment should a country bring in, a letter of intent, fixed financial or kin kind contribution?
- 2) Who are the main actors in such a discussion of a coordination of funding mechanisms for the Danube Region? Are those the national governments where mainly the ministries in charge of research, education and innovation should be addressed? Or should the national and/or regional funding and development agencies and/or programme owners be included in the process? This question is strongly related to the question which running programmes and initiatives should be coordinated. ⇒ Existing structures such as the Danube-INCO.NET and the Steering Group of the EUSDR PA7 (especially the DRRIF Working Group) should be (and are already) the basis for further discussions.
- 3) What are the aims of such a coordination of funding mechanisms? Individual goals and specificities of the countries and the European Commission, but also the common challenges and objectives as well as the expected added value of all participating entities have to be taken into account in order to define a common vision of a future coordinated initiative.
- 4) Which will be topical/scientific content? Should thematic areas be defined in advance or should the thematic scope be broad and bottom up?

When having achieved a clarification and agreement on these questions, an adequate instrument can be looked for (see also Table 3 in chapter 4.2.4 which could support a discussion).

As this deliverable deals with a roadmap for a possible Art. 185 measure for the Danube region, this will be considered here in the discussion chapter with a special focus. Referring to an Art. 185

initiative for the Danube, the following (critical) points among others have to be discussed and agreed upon by the participating countries:

- 1) Do all Danube countries take part in the initiative? Who is/are the leading player(s)?
- 2) Where does financing for the initiative come from? (H2020, Structural and Investment Funds, IPA/ENPI, national budget...)
- 3) Funding principles: Real vs. virtual common pot? There might be administrative/legal problems for several participating countries to transfer funds across national borders without having direct control or the possibility to examine the use of the funds. A virtual common pot with 2 or more funding sources would increase the administrative burden.
- 4) Different amounts of national contributions by the countries may lead to “gaps” in funding projects; therefore too strict regulations (such as “projects can only be financed by the national contribution and nothing else”) should be avoided and flexibility in funding of positively evaluated proposals ensured by closing the financing gaps by other funds from different sources();
- 5) Can there be an agreement to use Framework Programme evaluation principles?
- 6) Should participation in all joint calls be mandatory or should variable geometry in funding instruments and participation be ensured?
- 7) How can non EU MS participate: Association of third countries or be “equal” partners? If countries are associated, may funds be given to those project partners of associated countries? If third countries are not associated but “equal” partners, could funding be attributed to third country project partners?
- 8) Should the themes/scientific topics be restricted or should a broader approach be chosen (f. ex. main Priority Areas of the EUSDR or clusters from the JRC initiative)? What are the arguments for a restriction, what are the arguments for a broader approach?

These and other questions have to be answered when tackling the establishment of an Art. 185 measure. They might be discussed in working groups and networks already existing or established at the beginning of the undertaking where all participating countries should be represented.

When investigating the development of an Art. 185 initiative for the Danube countries, advantages and disadvantages have to be weighed against each other against the background of the specificity of the region in question. The crucial argument is to have strong commitments by the concerned Danube countries<sup>26</sup>. The EU Commission also has to be in favour of such a measure and should be supportive. An Art. 185 measure would give the regional cooperation a higher significance and greater visibility in the Danube regional but also national R&I landscapes and the community of relevant Art. 185 Danube stakeholders a stronger position.

A stepwise approach seems advisable by first undertaking an ERA NET COFUND measure to establish coordinated funding structures and networks in order to establish trust and to gain experience. Lessons from this initiative are very valuable for the future development of the coordinated funding. However, it has to be considered that different actors are involved when it comes to an Art. 185 initiative: this is any legal entity endorsed by the participating countries, usually funding agencies or

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<sup>26</sup> Germany (Baden-Württemberg and Bavaria), Austria, the Slovak Republic, the Czech Republic, Hungary, Croatia, Slovenia, Romania and Bulgaria within the EU, and Serbia, Bosnia and Herzegovina, Montenegro, the Republic of Moldova and Ukraine (the regions along the Danube) outside the EU.

other public bodies and not programme owners as in an ERA NET measure. Furthermore, in an Art. 185 measure there is a need for a legal structure which is not the case in an ERA NET. Compared to an ERA NET, the potential impact of an Art. 185 initiative is very high; it promotes a large scale and wide impact with the preparation of multiannual financial commitments. It is also effective in achieving scientific and management integration and helps overcome unnecessary overlap and fragmentation of R&I efforts.

Using other – similar - initiatives such as the BONUS programme for the Baltic Sea Region as a model may not be meaningful as each region is very different from the other. When considering that the Danube region is very heterogeneous ( - it consists not only of EU Member States but also of potential Candidate Countries/Associated Countries and also Third countries - ) and comparing it to the Baltic Sea Region, other priorities might have to be set for the development of the measure than in BONUS. When BONUS was started, the situation was different from today's as Art. 185 were generally new and these instruments might appear in a different light now.

## 5.2 Exploiting synergies between European, national and regional funds

For the coordination of funding mechanisms in the Danube region, different funding sources available for funding joint activities in this region have to be taken into account. The existence of a coherent policy mix (i.e. a set of instruments that are complementary) within a strategic framework for R&I in each country is a prerequisite for exploiting all available funding sources for transnational cooperation. Viewing these sources together in the context of a strategy enables policy-makers and R&I actors creating synergies between programmes managed at EU level, namely Horizon 2020, and those implemented at national, regional and transnational level, including European Structural and Investment Funds (ESIF), INTERREG, IPA, ENPI and other regional funds. With the new orientation of ESIF that are to be programmed in the context of smart specialisation strategies (RIS3), the Commission is active in supporting Member States and associated countries, regions and IPA countries in developing their RIS3<sup>27</sup> and in utilising all available funds most effectively and efficiently for R&I activities in the Danube region<sup>28</sup>. The Guide on Synergies<sup>29</sup> provides a comprehensive overview of the regulatory conditions and conceivable measures at EU, national (e.g. through Horizon 2020 NCP's) and regional (i.e. ESIF Managing Authorities) level tailored to supporting the coordination of funds across the whole policy mix for R&I. The challenge ahead is to explore these opportunities, adapt them to the individual national and regional contexts and make use of the possibilities of mutual learning and of applying a transnational dimension for the benefit of the whole Danube region. Exploring additional opportunities available to non-EU countries in the Danube region is of particular importance, e.g. as concerns the options to finance R&I activities (possibly also transnationally) from the new generation of IPA II and possibly ENPI sources.

## 5.3 Recommendations

Taking into account existing programmes, initiatives and framework conditions in the Danube region, as well as experiences from other initiatives and Art. 185 measures, the following recommendations are made to consider when taking further steps towards the coordination and scaling up of funding mechanisms in the Danube region:

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<sup>27</sup> <http://s3platform.jrc.ec.europa.eu/s3-platform-registered-regions>

<sup>28</sup> <http://s3platform.jrc.ec.europa.eu/s3fordanubemobilisingfininst>

<sup>29</sup> [http://ec.europa.eu/regional\\_policy/sources/docgener/guides/synergy/synergies\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docgener/guides/synergy/synergies_en.pdf)

- Considering the situation for the Danube macro region, an adequate instrument for the coordination of funds has to be chosen; this depends very much on the political and financial commitment of the relevant stakeholders as well on their interest and influence on a future potential programme. Clarification of the need, the preconditions and the adequacy of the Art. 185 instrument as such and an Art. 185 measure for the Danube region is necessary first.
- Starting points from the present situation should be the ongoing activities strongly related to the EUSDR (especially PA7, the planned DRRIF, Danube-INCO.NET) and the existing and currently running programmes in the Danube region (Horizon2020, EUREKA, Eurostars, Operational Programmes, European Territorial Cooperation, IPA, ENPI, RCC, WISE).
- If the relevant stakeholders agree on starting an Art. 185 measure for the Danube region, a sufficient amount of funding has to be provided by all participating countries from the beginning. A strong commitment is necessary to bring forward the initiative and a continuous dedication and liability by all Danube countries enduring also political changes.
- Facing the undertaking of an Art. 185 measure, a time frame of several years may be realistic before starting such a programme and the first calls. An intermediary step in the coordination of funding mechanisms (such as an Era-Net COFUND instrument) would be very useful for gaining experiences and deepen trust among the funding partners. It might be beneficial to broaden the thematic scope of the initiative (or to handle it in a flexible way) in the course of the development of the measure in order to get more funding through a greater variety of stakeholders; this allows for a more flexible implementation.
- If there is not enough (financial) commitment by the countries, a pragmatic approach may be chosen to make progress in small steps and manageable time frames. Variable geometry should be considered as a suitable approach to handle the funding in a flexible way according to different thematic priorities in the participating countries. If the provision of fresh funds is not feasible (for all or some of the countries), a coordinated system of existing programmes – adapted to the situation in the Danube Region – comparable to a kind of tool box could be a solution.
- To get started, it seems to be crucial to agree on one or two thematic priorities (at least by some of the countries) in order to focus on a specific funding source (f. ex. when planning an ERA NET). The Work Package on Policy Dialogue and Priority setting (WP2) in the Danube-INCO.NET could lay the basis for finding (a) thematic area(s), as well as the results of the DRRIF feasibility study performed under the EUSDR Priority Area 7. The priorities should be decided by the participating and contributing stakeholders.
- In a later stage, a flexible implementation will be advantageous for the functioning, because the programme procedures are not hindered in the operation. (Otherwise it might be compulsory that all countries having signed the programme contract have to participate in each of the calls.) If one country is not willing to commit funds for a specific topic, or cannot fulfil the obligations of the funding, it would be beneficial to have different options “replacing” missing funds by other means. An applicable approach could be the use of In-kind-contributions (f. ex. by providing infrastructures) instead of fresh money; however, the durable cooperation of the infrastructure facilities has to be assured for the later implementation of the call.
- The combination of funds (f. ex. Horizon2020, Structural Funds, IPA/ENPI, etc.) may be a good option when considering the heterogeneous region of the Danube countries and the lack of national funding. A solution might be to use other models than using a common pot (virtual common pot). Options for using synergies are provided in the Guidelines provided by

the EU Commission and the JRC (European Commission 2014, Gnamus et al. 2014). A “pilot project” undertaken in this regards could help to have a “hands-on” example how to proceed when implementing a transnational cooperation project from different funding sources. This could start with an application in a certain thematic area, then making flexible additions of partners or other project parts or prolongation to the running project by different funding sources. An example of good practice is the EUSDR flagship project DREAM (Danube River Research and Management) as scientific project with combined investments.

- However, a good balance should be sought between using different financing sources when opting for a common pot for the project funding; a combination may be necessary, but it also increases the administrative burden considerably, especially for the coordinators of the funded projects if they receive money from two sides (f. ex. national sources and EU KOM) and have to report to at least 2 parties.
- In order to reduce bureaucratic burdens, it is advisable to have only one funding regulation; however, this seems challenging in the Danube region (9 EU MS + 5 countries outside to EU but most of them associated to Horizon 2020).

Generally, the developments in the different initiatives for the coordination of funds in the Danube region have to be observed carefully and should be harmonised. A DRRIF – if realised - will be an important milestone in the further scaling up of funding mechanisms. Thus, the outcome of the DRRIF Feasibility study (foreseen for March 2015) and the current and upcoming discussions of the DRRIF Working Group, but also the development of the Funding Parties Platform activities in T6.1, will give important input to the considerations of the further coordination and scaling up of processes, instruments and funding mechanisms. A final stage in the scaling up process of funding mechanisms could be an Art. 185 measure, a Joint Programming initiative or an alternative instrument. An Art. 185 measure may not necessarily be the “right” instrument as has been discussed above; alternative solutions should be considered.

#### **5.4 Views of stakeholders**

This deliverable outlines some suggestions for a possible Art. 185 measure if the countries decide to join for such an initiative. The report could be used in the course of the project to get the views from different stakeholders from the Danube region (f. ex. the relevant funding bodies such as Ministries or funding agencies and programme owners, different actors from the EUSDR and from Danube funding programmes, but also other groups and committees in relation to specific topics such as environment, transport etc.) and will be updated and further developed in this regard. Coordination with the Feasibility Study for the DRRIF should be sought. The views of these stakeholders might be decisive for further steps and decisions towards the development of an Art. 185 measure for the Danube region.

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- Liberali R., 2013: Partnership in Research and Innovation in the Mediterranean Area under Article 185 of the TFEU ; presentation held by Ministry for Education, University and Research Department for University, AFAM and Research; presentation held in Gammarth – Tunis, 18th of February 2013.
- Schneidewind P., Hahn M. & Radzyner A. 2010. Analysis of needs for financial instruments in the EU Strategy for the Danube Region (EUSDR). Final report, METIS GmbH, 60 p. Vienna.
- Wittke, W.: Art. 185 TFEU- Issues to be considered for new initiatives. European Commission, DG Research & Innovation, European Research Area, Unit B4 -Joint Programming, Presentation.
- Woiwode von Gilardi M. & Kunze U. 2014. ERA and Innovation Union: transnational cooperation of national programmes in the Danube region. Discussion paper preparing the first Danube-INCO.NET policy dialogue workshop held on “Innovation Union and ERA in the Danube Region” (Task 2.3), July 10, 2014, Belgrade, Serbia.

## Annex I – Official EU Documents

Extract from

Proposal for a **REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing Horizon 2020 - The Framework Programme for Research and Innovation (2014-2020)**; Brussels, 30.11.2011, COM(2011) 809 final, 2011/0401 (COD), 119 pages.

### *Article 20*

#### *Public-public partnerships*

1. Horizon 2020 shall contribute to the strengthening of public-public partnerships where actions at regional, national or international level are jointly implemented within the Union. Particular attention shall be paid to joint programming initiatives between Member States.
2. Public-public partnerships may be supported either within, or across, the priorities set out in Article 5(2), in particular through:
  - a) an ERA-NET instrument using grants to support public-public partnerships in their preparation, establishment of networking structures, design, implementation and coordination of joint activities as well as topping up of individual joint calls and of actions of a transnational nature;
  - b) Union participation in programmes undertaken by several Member States in accordance with Article 185 TFEU.

For the purposes of point (a), top-up funding shall be conditional on a significant level of prior financial commitments of the participating entities to the joint calls and actions. The ERA-NET instrument may include an objective to harmonise rules and implementation modalities of the joint calls and actions. It may also be used in order to prepare for an initiative pursuant to Article 185 TFEU.

For the purposes of point (b) such initiatives shall only be proposed in cases where there is a need for a dedicated implementation structure and where there is a high level of commitment of the participating countries to integration at scientific, management and financial levels. In addition, proposals for initiatives referred to in point (b) shall be identified on the basis of all of the following criteria:

- a) a clear definition of the objective to be pursued and its relevance to the objectives of Horizon 2020 and broader Union policy objectives;
- b) clear financial commitments of the participating countries, including prior commitments to pool national and/or regional investments for transnational research and innovation;
- c) the added value of action at Union level;
- d) the critical mass, with regard to the size and the number of programmes involved, the similarity of activities and the share of relevant research they cover;
- e) the efficiency of Article 185 TFEU.

## Annex II – Exploratory visit to BONUS secretariat and Questions to BONUS



**Danube-INCO.NET**  
**Exploratory Visit to BONUS Secretariat**  
**2014-09-08**  
**in Helsinki, Finland**

### About the meeting

The objective of the meeting is to learn more about the experiences and the Strategic Research Agenda of the BONUS Programme for the Baltic Sea and to discuss questions.

### Details

The Danube-INCO.NET Task partners DLR and FFG will meet staff from the BONUS Secretariat in Helsinki in order to talk about lessons learned from the establishment of the BONUS Programme in the last ten years. Expected outcomes are useful information (legal and financial aspects, governance etc...) for the development of a vision and a roadmap towards a Danube Art. 185 Programme in Task T6.2. Best practice from BONUS as well as worst case should be considered. The main target group to use the results of this meeting are stakeholders in the Danube region interested in a joint Danube Programme as an Art. 185 measure.

### Venue

BONUS Secretariat, Hakaniemenranta 6, 00530 Helsinki, Finland

Contact persons:

- Kaisa Kononen ([kaisa.kononen@bonuseeig.fi](mailto:kaisa.kononen@bonuseeig.fi))
- Tiina Tembe, Assistant BONUS, Hakaniemenranta 6, 00530 Helsinki, Finland  
tel. +358 40 352 2424 fax +358 9 4780 0044 [tiina.tembe@bonuseeig.fi](mailto:tiina.tembe@bonuseeig.fi)  
[www.bonusportal.org](http://www.bonusportal.org)

**Organizer:** DLR and BONUS Secretariat

### Contact person for any questions regarding the event:

Name: Ulrike Kunze, DLR  
Email: [Ulrike.Kunze@dlr.de](mailto:Ulrike.Kunze@dlr.de)  
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**Agenda**  
**Exploratory Visit to BONUS Secretariat**  
**2014-09-08**  
**in Helsinki, Finland**

2014-09-08

10:00 – 12:00	Arrival, welcome
	Meeting, exchange of information: lessons learned from BONUS, best practice/worst case to be used for development of a roadmap towards Art. 185 measure for the Danube region (see “Questions to BONUS” below) Discussion by participants
12:00 – 14:00	Working Lunch

**Target group**

Participants:

Kaisa Kononen, BONUS Director  
Andris Andrusaitis, BONUS Scientific Manager  
Minna Ulvila, BONUS Financial Manager  
Ralf König, FFG (ralf.koenig@ffg.at)  
Ulrike Kunze, DLR (Ulrike.kunze@dlr.de)

**Logistics/Accommodation**

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**Questions to BONUS**

The aim of the Danube-INCO.NET action “Scaling up joint funding mechanisms” is to examine possibilities for a future joint funding programme in the Danube region. This work should lay the basis for a later implementation of a potential multinational and coordinated initiative of the Danube countries and the European Commission. It will take into account experiences and lessons from other Art. 185 initiatives, such as BONUS for the Baltic Sea countries, PRIMA for the Mediterranean countries, EUROSTARS, and others. It is based on the major activities and initiatives focusing on transnational cooperation of national programmes and the coordination of funding mechanisms in the Danube Region.

A deliverable (“Roadmap towards and Art. 185 initiative for the Danube region”) will be produced (due in October 2014) outlining possibilities for the development and implementation of a Danube Art. 185 initiative. This roadmap can be considered as work in progress as it will be further developed and updated during the course of the project depending on the results of other relevant activities. It is also considered important to define the scope of such an Art. 185 programme in comparison to the Danube Region Research and Innovation Fund (DRRIF) which shall be established under the EU Strategy for the Danube Region (EUSDR).

### Questions

1. Stakeholders
  - Who are the main stakeholders/institutions in the initiative and what are their roles? What are the main stakeholders to start the measure? How to find the “right” stakeholders (in the countries, in the commission)?
2. Funding & Financing
  - Where does the funding come from exactly: European Commission (Programme/H2020? Budget from EP?), Countries/national contributions (national budget, structural funds); Other sources/programmes?
  - Real/virtual common pot, in kind contributions
3. Procedure/Roadmap
  - What structures/pre-conditions are necessary to provide a solid basis for the work (institutionalised networks, existing programmes, ...) ?
  - What is the approximate time frame from start until first implementation of the measure?
  - What are the necessary steps to start such an initiative? Is there a roadmap that was used for the establishment of BONUS?
  - Evaluation: ranking of projects?
4. Legal aspects
  - What legal aspects have to be respected (e.g. KOM law, legal management organisation (DIS)/Secretariat as European Economic Interest Grouping EEIG etc.)?
  - How to find the right structure for governance and management
5. Participating countries
  - How to deal with associated/third countries? Participation “at equal terms”?
  - Experiences of BONUS?
6. Adequacy of the instrument
  - Is it useful/obligatory to have an Era Net first?
  - Why Art. 185 and not another instrument such as Era-Net COFUND or JPI?
7. Miscellaneous
  - How to handle disparities and heterogeneities in the region (different level of R&I capacity etc., EU MS/Associated Countries/Third Countries) ?
  - What are the most important lessons learned: best practice to recommend, traps to avoid, what would you organise differently today compared to the Start of BONUS several years ago?
  - What are the most important points when it comes to establish a roadmap and a Strategic Research Agenda?