

WHAT TO KNOW TO ATTRACT STRUCTURAL FUNDS

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Abstract

National Strategic Reference Framework (NSRF) is based on the National Development Plan and identifies the link between national and regional priorities and Community priorities supported by the European Commission. In NSRF there are specified the annual allocation of European funds on each objective, on each instrument and on each operational program.

Policy of economic and social cohesion of the European Union is above all a politics of solidarity. Its aim is to promote a high level of competitiveness and employment, providing help less-developed regions and those facing structural problems. It thus provides a stable and sustainable development of the European Union and optimal functioning of the Internal Market.

Cohesion policy has three instruments: the European Regional Development Fund, Cohesion Fund, European Social Fund.

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For the period 2007-2013 Romania has prepared a series of strategic and operational documents to establish priorities for Romania's development and to define the allocation of funds on each goal apart.

National Development Plan (NDP) includes the national strategy of development of Romania. In this document, completed at the end of 2005, the strategic objectives, planned activities and funding of multi-annual perspective are presented.

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Operational Programs (OPs) are documents that identify, for each strategic objective from NSRF, priority axes and areas of intervention, providing details of national finance and public and private co-financing from the European Union. Each Operational Program is

completed by a program complemented, documents which are not subject to approval by the European Commission, which shall include details of practical projects and eligible costs, potential beneficiaries, the modes of settlement, the authorities role.

Operational Programs (OPs) are:

- documents on which is made operational programming and effective implementation of structural and cohesion fund;

- Operational Programs presents the major areas of intervention which are co-financed by the Structural and Cohesion Funds;

- Operational programs are structured depending on the objectives: for Convergence objective there are 6 Sectoral Operational Programs plus 1 Regional Operational Program. To these are added yet 4 Operational Programs for achieving the objective Trans-frontier European Cooperation;

- Framework implementation documents are documents prepared by each Management Authority for the detailing implementation measures or the Sectoral or Regional Operational Program.

Operational programs are:

1. Regional Operational Program (ROP);
2. Sectoral Operational Program - Growth Economic Competitiveness (POS-CCE);
3. Sectoral Operational Program - Growth-Human Resources Development (SOP-dru);
4. Sectoral Operational Program - Environment (SOP Environment);
5. Sectoral Operational Program - Transport (SOP Transport);
6. Sectoral Operational Program - Administrative Capacity Development (SOP-WFD);
7. Operational Program - Technical Assistance (OPTA).

Policy of economic and social cohesion of the European Union is above all a politics of solidarity. Its aim is to promote a high level of competitiveness and employment, providing help less-developed regions and those facing structural problems. It thus provides a stable and sustainable development of the European Union and optimal functioning of the Internal Market.

Cohesion policy has three instruments:

- European Fund for Regional Development;
- Cohesion Fund;
- European Social Fund.

The three instruments will be used as before, to help to reduce economic disparities between various regions of the European Union, putting the emphasis on knowledge and innovation, the creation more and better jobs, cooperation between regions and to transform regions in attractive places to invest and work.

Cohesion policy has three objectives: Convergence (supporting regions left behind in terms of economic development), Regional Competitiveness and Employment (supporting regions other than those left behind as the development target for achieving the Lisbon Agenda) and Territorial cooperation (promoting a balanced development of the whole Community territory, by encouraging cooperation and exchange of best practices between all regions).

Romania is eligible for all three instruments and for two of objectives - Convergence and European Territorial cooperation.

The European Regional Development Fund (ERDF) shall contribute to the economic and social cohesion and reduce regional disparities by supporting:

- development and structural adjustment of regional economies, including the conversion of regions in industrial decline and regions left behind;
- border, transnational and inter-regional cooperation.

In this sense, the ERDF will support the Community priorities, particularly in enhancing the competitiveness and innovation, jobs creation in the long term and ensure sustainable development.

By ERDF will be funded:

- Productive investments that help create and save jobs, mainly through investment in priority SMEs:
 - investment in infrastructure;
 - developing local potential by supporting measures at regional and local level;
 - measures of technical assistance.

Under the Convergence objective, the activities funded by ERDF will be focused on supporting of local and regional integrated economical development and on employment by mobilizing internal capacities by operational programs designed to modernize and diversify the local and regional economies and create secure and sustainable jobs. Actions to be financed under this goal:

a) Research and technological development, innovation, entrepreneurship, including strengthening capacity for research and technological development and their integration into European research area, including infrastructure, aid for R & D particularly in SMEs and technology transfer, improved link between SMEs sites, education centers and university research, development of business networks, public-private partnerships, support services for groups of SMEs, entrepreneurship and feeding innovation;

b) Informational Society including electronic communications infrastructure, improving access and developing public services online, support to SMEs for the adoption and effective use of information technologies and communication or operation of new ideas;

c) Development of local initiatives and help to create services for creating new jobs, when such actions are not covered by the ESF;

d) Environment, including investments related to the provision of water and waste management, waste-water treatment, air quality, prevention, control and combating drought, prevention and control of pollution, support for the reconciliation of the effects of climate change, environmental rehabilitation, physical restoration sites, contaminated and abandoned lands, promoting biodiversity and nature protection, support to SMEs to promote sustainable production through the introduction of environmental management systems and effective adoption and use of pollution prevention;

e) Prevention of risks, including development and implementation of plans for preventing and combating natural and technological risks;

f) Tourist Activities, including the promotion of the natural values as a potential for development of sustainable tourism, protection of natural heritage in support of socio-economic development, support to improve tourism services through high quality services and encourage sustainable tourism;

g) Investment in culture, including the protection, promotion and preservation of cultural heritage, cultural infrastructure development in support of socio-economic development, sustainable tourism and improve the regional attractiveness, support to improve cultural services through new services of high quality;

h) Investment in transport, including improving trans-European networks and links with the TEN-T networks, integrated strategies for clean transport which will contribute to improve passengers access to quality services, achievement a more balanced modal transport promoting intermodal systems and reducing the impact on environment;

i) Investment in energy, including improving trans-European networks which contribute to improving security of supply, integration of environmental issues, improving energy efficiency and developing renewable energy sources;

j) Investment in education, including vocational training which helps to increase the attractiveness and quality of life;

k) Investment in health and social infrastructure which will contribute to regional development and local growth and quality of life.

Cohesion Fund helps Member States with a gross national product (GNP) per capita less than 90% of average, to reduce the differences between levels of economic and social development and to stabilize economies. This fund supports the objective "Convergence" and is subject to the same rules of programming, management and control like for the ERDF and ESF.

For 2007-2013 period, the Cohesion Fund is addressed to the following countries: Bulgaria, Cyprus, Estonia, Greece, Latvia, Lithuania, Malta, Poland, Portugal, Czech Republic, Romania, Slovakia, Slovenia and Hungary.

Cohesion Fund finances activities which are part of the following areas:

- trans-European transport networks, in particular priority projects of European interest as defined by the European Union;

- environment. In this context, the Cohesion Fund may also intervene in projects of energy or transport, as long as they clear present advantages for the environment: energy efficiency, using renewable energy sources, development of rail transport, supporting intermodality, strengthening public transport, etc.

Strategic Guidelines for economic, social and territorial cohesion is a unique framework for all Member States to prepare documents for programmatic FSC for the period 2007-2013 (National Strategic Reference Framework and the Operational Programs). Guidelines for Cohesion have in their view the role of cohesion policy in the implementation of EU policies, coherent with the Lisbon agenda.

The programming principles of the Cohesion Fund are:

A. *Complementarity*: The Community actions should be complementary or must contribute to corresponding national operations.

B. *Partnership*: The Community actions should be made through a close consultation between the Commission and Member States, together with authorities and bodies designated by Member States, such as regional and local economic and social partners. The partnership shall cover preparation, financing, monitoring and evaluation of financial assistance. Member States must ensure the association of relevant partners at different stages of programming.

C. *Subsidiarity*: Structural Funds are not directly allocated to projects chosen by the Commission. The main priorities of the development program are defined by national / regional authorities in cooperation with the Commission, but the choice of projects and their management are under the sole responsibility of national and regional authorities.

D. *Additionality*: Community aid can not replace public expenditure or other structural equivalent of the Member States. The budgets of Program may include both EU funds and national funds from public or private sources.

E. *Compatibility*: Operations financed by the Structural Funds must comply with the EU Treaty, and EU policies and actions, including rules on competition, public procurement, environmental protection, promoting equality between men and women.

F. *Programming*: Joint Action of the EU and Member States must be implemented on a multiannual basis through a organizational process, a decision making and a funding based on

the formulation of integrated, coherent and multi-annual strategies and defining of real targets.

G. *Concentration*: Structural Funds are focused on several priority objectives, in fact, much of it covers a limited number of areas which need support for their development, and the remaining resources are devoted to certain social groups facing difficulties throughout the EU without satisfying specific geographical criteria.

European Social Fund (ESF) is intended to improve the quality of jobs and opportunities for employment in the European Union. It intervenes in the frame of objectives "Convergence" and "Regional competitiveness and employment".

ESF supports Members actions in the following areas:

- adaptation of workers and enterprises, systems life-long learning, origination and dissemination of innovative forms of work organization;
- improving access to employment of persons seeking employment, of inactive people, of women and immigrants;
- social integration of disadvantaged people and combating all forms of discrimination in the labor market;
- strengthening human capital through implementation of reforms in education and through network connecting of educational establishments.

ESF implementation is achieved through projects for which funding is sought and which are implemented in a broad variety of organizations, both in public sector and in private sector. These include: local, regional and national authorities, educational and training institutions, nongovernmental organizations (NGOs) and voluntary sector and social partners, for example, unions and committees of businesses, industrial and professional associations and individual companies.

Beneficiaries of ESF projects are different, for example, individual employees, groups of people, industry sectors, unions, public administrations or individual companies. Groups of vulnerable people who face a specific difficulty in finding a job or promotion to a job, such as long-term unemployed or women, is a specific target group.

The current cycle of ESF programming covering the period 2007-2013 and held under the motto "Investing in people". During this period, the ESF is investing around 75 billion euros, almost 10% of the EU budget, in projects aimed at stimulating employment. Funding are awarded for six specific priority areas:

- Improving human capital (34% of the total financing);
- Improving access to employment and sustainability (30%);
- Increase adaptability of workers, enterprises and entrepreneurs (18%);
- Improving social inclusion of disadvantaged people (14%);

- Strengthening institutional capacity at national, regional and local level (3%);
- Mobilization for reforms in employment and inclusion (1%).

In any region, the actual distribution of funds will be different, depending on local and regional priorities. All the six priorities are applicable both for the "Convergence" and for the "Regional competitiveness and employment", however, the regions covered by Objective "Convergence" will focus, usually on the priority "improving human capital."

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