Absorption rate of EU Funds in Romania

Cohesion Policy 2007-2013
The continue expansion of the EU integration raised an important issue, that of the necessity for cohesion funds. The most recent countries that joined the EU encountered the problem of differences concerning economic development. Therefore, in order to achieve some degree of uniformity in the Union and to ensure the sustainability of this alliance, developing grants programs had become imminent.

Since 2007 Romania`s membership in the EU has generated a range of obligations but also benefits. By accessing the 2007-2013 funding programme our country has received the necessary support for a fast-track development, to reach the standards of other member states.

Achieving this goal required a high degree of involvement from both the Union and us, but as always novelty involves a certain hesitation.
During the 2007-2013 operational programme, Romania received for each area a certain budget as you can notice in the bar chart below. Bigger amounts of money were allocated to Regional Development, Environment, Transport, Economic Competitiveness, and Human Resources.

Graph 1: The absorption of Structural and Cohesion Funds on each operational programme.
This bar chart shows the overall view on the absorption rate of the Operational Programme 2007-2013

Reimbursements from the European Commission

Graph 2- Absorbția fondurilor structurale și de coeziune; 30 decembrie 2013
As you can see, in the early years the pace in which the operational programme was accessed very slowly.

Until 12 of September 2014, Romania received from European Commission reimbursements of cost of project of 9,14 bilion euros, which means about 47,58% of the total allocation for 2007-2013 Programme.
The main problems encountered by the applicants when accessing European funds were caused by a lack of expertise in the field and also the lack of a local strategy for their allocation. According to the progress report published in 2012, the main deficits are:

- the evaluation and selection process presents a systemic deficiency in terms of setting a minimum threshold for evaluation criteria;
- delays in the completion of lists of eligible expenditure and payment and refund procedures;
• no continuity between the assessment phase and the contracting phase;
• excessive bureaucracy;
• each amendment to the funding application must be justified through a set of documents whose approval lasts a long period of time;
• non-uniform coordination in terms of management authorities
The solution that they all agree on is to merge all these entities under the leadership of the Ministry of European funds, with the exception of agriculture and development programme which will be coordinated by the Ministry of Agriculture and Rural Development.

- another negative effect of the problem mentioned in the previous paragraph was the different method of interpretation of the legislation by each of the seven management authorities, even if there were instructions applicable to all programs;
- the remuneration system was ineffective for experts involved in the projects.
In terms of benefits, structural and cohesion funds have offered to Romanian citizens methods and tools to ease their access on the labor market, a large education on the topic of equal chances, opportunities to improve the system of health and sustainable development. However the situation has improved gradually leading to an access rate of 18.56% in 2013 due to actions such as:

• the repayment term of applications has been reduced considerably;

• publication of clarifications and practical information regarding the instructions published;

• improving the flow of information transmission.
A few associations of liberal professions members of the Romanian Union of Liberal Professions, were able to manage and implement successfully projects such as:

- **POSDRU/81/3.2/S/58833** - "The improvement of human resources in veterinary medicine" implemented by the College of Veterinarians

- **POSDRU/ 81 / 3.2 / S / 58708** - "The efficiency of pharmacists through training in new technologies, including IT“ implemented by the Romanian College of Pharmacists

Many other associations of Liberal Professions were beneficiaries of the EU funds as partners, especially of Universities.
Taking into consideration the information presented and analyzing the entire situation, Romania may be deemed to be a State in which investors can have confidence, and even if the activities initiated during the Operational Programme 2007-2013 were not perfect, the 2014-2020 programming will definitely have the expected results.

In terms of the 2014-2020 programing, Romania can access funding of 22.9 billion euros.
To ensure a high rate of absorption the Romanian Government administered measures such as the reduction of the required payment term to beneficiaries from five to three business days or the establishment of meetings between management authorities and representatives of the beneficiaries to discuss directly the problems encountered and to find optimal solutions.