Distribution of Projects Financed Through the Regional Operational Programme in the Development Regions: South – Muntenia, Bucharest – Ilfov, South – Eastand North - East

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Abstract

In the period 2007-2013, several projects were submitted through the Regional Operational Programme that targeted the objectives laid down by it. The priority axes aimed to support the sustainable development of cities, the improvement of the transport infrastructure and social services, the support of business development, and tourism sustainable development and promotion. This paper aims to analyze the projects submitted by the Regional Operational Programme in four development regions, namely South – Muntenia, Bucharest – Ilfov, South – East and North – East. The analysis was based on the statistical data available at this time on the official websites of the Regional Development Agencies in each region mentioned above. The research was conducted from May 1 to May 20, 2015

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JEL classification: M31

1. Introduction

The need to build an integrated European area resulted in the appearance and development of development regions. They are seen as a suitable place in which policies and strategies can be developed at European level. Their purpose is to allow their implementation in the Structural Funds (Negruț, 2009).

The concept of disparity has an important role in assessing development regions. It indicates the existing differences using certain specific calculation techniques. When assessing development regions, indicators used must also be taken into account. They should be relevant and one should be able to use them

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both as a means of information on the work carried out in a given field and as a means of analysing the peculiarities encountered at this level. In addition, it should allow the measurement of exchanges that occurred in the evolution of phenomena and should be able to determine the causes that led to the occurrence of certain changes in the development regions (Moşteanu, 2001).

Conducting a research across development regions involves analysing several indicators that allow us to provide an overview on activities at their level. The use of only certain indicators may give us an unclear picture on those studied. Thus, the whole approach may affect the way regional development policies are developed and can minimize the requirement for spatial equity (Constantin, 2004).

If we look at all these approaches in terms of marketing, we can mention that an important role in the evaluation of the work carried out in Operational Programmes is played by the analysis of the internal and external factors that have the ability to influence the activity. Therefore, before determining objectives, strategies and tactics to be used, it is elemental to analyse the existing situation (Balaure, 2002). Business process reengineering can be also used as a more holistic and integrated approach to management and processes that can be used in evaluating the projects development (Balanescu, Mascu, 2014). In a time where complex solutions are needed solution that incorporates elements from various concepts,

Given all the above, we considered necessary to conduct an analysis by which to observe how EU funds were distributed through the Regional Operational Programme (ROP) in certain development regions.

2. The distribution of European funds at Regional Operational Programme level

The Regional Operational Programme (ROP) is one of the most attractive for those who want to access European funds. It aims: to increase the economic and social role of urban centers, to improve infrastructure in development regions, to increase their competitiveness as business locations, as well as to improve tourism activity (fonduri-structurale.ro).

Those who can access projects through the Regional Operational Programme are: small and medium enterprises, local communities, local public authorities, NGOs and health and social assistance facilities. In 2012, the total budget of the Regional Operational Programme was approximately EUR 663,832,914, while in 2013 it was increased, reaching EUR 806,269,201 (finantare.ro).

According to data published, in the period 2014 – 2020, for existing thematic objectives at Regional Operational Programme level, a total budget of EUR 6,298 million has been allocated. For Priority Axis 1 (promoting technology transfer), the budget made available was EUR 165 million ERDF. Priority Axis 2 (improving the competitiveness of SMEs) has a budget of EUR 700 million ERDF, Priority Axis 3 (energy efficiency in public buildings) was allocated an amount of

EUR 300 million ERDF, Priority Axis 4 (supporting urban development) has a budget of EUR 2.654 million ERDF, Priority Axis 5 (conservation, protection and sustainable use of cultural heritage) received a total budget of EUR 300 million ERDF, Priority Axis 6 (improving road infrastructure of regional and local importance) was allocated a budget of EUR 900 million ERDF, Priority Axis 7 (diversification of local economies through sustainable tourism) has a budget of EUR 95 million ERDF Priority Axis 8 (development of the health infrastructure) is assigned an amount of EUR 400 million ERDF, Priority Axis 9 (supporting economic and social regeneration of deprived communities in urban areas) has a budget of EUR 90 million ERDF, Priority Axis 10 (development of the educational infrastructure) has a budget of EUR 340 million ERDF, Priority Axis 11 (improvement of cadastral work) has a budget of EUR 250 million ERDF, while Priority Axis 12 (technical assistance) has a budget of EUR 104 million ERDF. (Fonduri-ue.ro)

According to the Report existing in the Regional Operational Programme regarding the distribution of grants contracted, we note that the Bucharest Ilfov Region registered the lowest values. This region is followed by the Central region, the West region and the South-East region. Furthermore it can be seen that the highest value contracted is recorded in the following development regions: North-East, South and South-West.

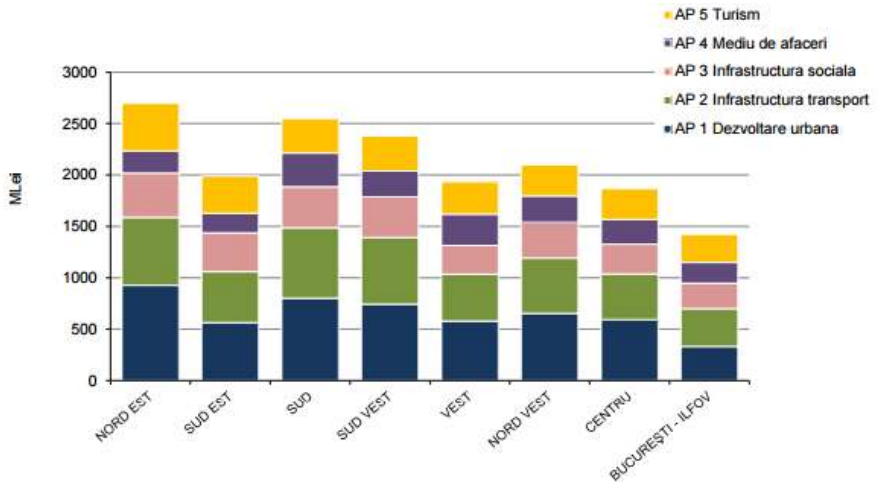

Figure 1. The distribution of financing contracted at PA 1-5 level within development regions

Source*:* Taken from the ROP 2007 – 2013 Assessment Report – inforegio.ro

Given the data above, we considered necessary to conduct an analysis to identify how European funds are allocated (through the Regional Operational Programme) in the development regions. The study carried out will put more emphasis on the distribution of projects for Priority Axis 5.

3. The distribution of projects financed through the Regional Operational Programme for the South – Muntenia development region

According to data provided by the Regional Development Agency South – Muntenia, the situation of the projects submitted at this level is as follows (regio.adrmuntenia.ro):

✓ In Priority Axis 1 (areas: integrated urban development plans – urban centers; integrated urban development plans – growth poles; integrated urban development plans – development poles and supporting investments in energy efficiency of residential buildings), there is a total of 14 IDPs, and 79 projects (of which 5 were withdrawn). Of them, 12 were rejected and 62 projects are contracted. The amount of financial assistance grants requested is EUR 231.05 million.

✓ In Priority Axis 2 (areas: rehabilitation and modernization of county roads, urban streets – including the construction/rehabilitation of ring roads), a smaller number of projects was submitted – 39 projects, of which 3 are withdrawn. 10 of them are rejected, 7 are on hold and 19 are contracted. The amount of financial assistance grants requested is EUR 231.68 million.

✓ Regarding the Priority Axis 3 (areas: rehabilitation/ modernization/equipment of health services infrastructure, rehabilitation/ modernization/development and equipment of social services infrastructure, improvement of the equipment of operational bases for interventions in emergency situations, rehabilitation, modernization, development and equipment of pre-university, university and continuous vocational training educational infrastructure), a greater number of projects was submitted – 242 projects, of which 23 are withdrawn, 24 are rejected, 2 are being evaluated, 35 are on hold and 158 are contracted. The amount of financial assistance grants requested is EUR 219.11 million.

✓ Regarding the Priority Axis 4 (areas: sustainable development in support of business structures of regional and local importance, supporting the development of micro-enterprises), 863 projects are submitted, of which 53 are withdrawn, 285 are rejected, one is in pre-contracting , and 492 are contracted. Most projects submitted are recorded at the level of this axis. The amount of financial assistance grants applied for is EUR 163.74 million.

✓ Regarding the Priority Axis 5 (areas: restoration and sustainable use of cultural heritage and setting up/modernization of related infrastructures; creating, developing, upgrading tourism infrastructure for the exploitation of natural resources, and improving the quality of tourism services), a smaller number projects is submitted – 62, of which 5 are withdrawn, 20 are rejected, one is in pre-contracting, 9 are on hold and 27 are contracted. The amount of financial assistance grants applied for is EUR 61.20 million.

If we analyze in detail the projects financed under the Regional Operational Programme (ROP) in tourism (Priority Axis 5) in the region, we note

that for the rehabilitation and sustainable use of the cultural heritage and for setting up/upgrading of related infrastructures, a project is deployed in Călărași County, 5 projects in Argeș County, 5 projects in Prahova, 3 projects in Dâmbovița and a project in Giurgiu. Also at the level of this Priority Axis 5 (area: creating, developing, upgrading tourism infrastructure), projects are carried out in the following counties (regio.adrmuntenia.ro): 2 projects in Argeș, 4 projects in Prahova, 4 projects in Dâmbovița, one project in Teleorman and one project in Ialomița. Regarding the promotion of the tourism potential and creating the necessary infrastructure, no information is provided yet.

4. Distribution of projects financed through the Regional Operational Programme for the South – East development region

As regards the projects implemented or completed by the ROP 2007 – 2013 in South-East Development Region, we can mention the following (adrse.ro):

- ✓ In Priority Axis 1, there are a total of 98 projects, of which 51 projects are under implementation and 47 are completed. Most projects were submitted at the level of this axis. For these, the eligible contracted value is 987,445,559.45 lei (EUR 224,164,712.70) and the contracted amount requested is 952,681,036.98 lei (EUR 216,272,653.12).
- ✓ In Priority Axis 2, only 18 projects were submitted. Of these, 4 projects are under implementation and 14 are completed. The eligible contracted value is 798,834,410.78 lei (EUR 181,323,324.17), and the contracted amount requested is 748,834,410.78 lei (EUR 169,996,461.02).
- ✓ As regards the Priority Axis 3, there are 127 projects of which 52 projects under implementation and 75 are completed. Most projects were submitted at the level of this axis. The eligible contracted value is 642,887,262.64 lei (EUR 145,944,895.03), and the contracted amount requested is 629,105,169.39 lei (EUR 142,816,156.5).
- ✓ In Priority Axis 4, there are: 229 projects, of which 22 are under implementation and 107 are completed. The eligible contracted value is 212,455,895.58 lei (EUR 49,365,697.07), and the contracted amount requested is 179,065,217.18 lei (EUR 40,650,446.58). Most project were submitted at the level of this axis.
- ✓ In Priority Axis 5, there are 45 projects, of which 18 are under implementation, and 27 are completed. The eligible contracted amount is 534,838,212.1 lei (EUR 121,416,166.4) and the contracted amount requested is 461,630,744.17 lei (EUR 104,796,990.73). Regarding the promotion of the tourism potential and creating the necessary infrastructure, no information is provided yet.

5. Distribution of projects financed through the Regional Operational Programme for the North – East development region

Until 05/27/2015, in the North-East Development Region, several projects were contracted, worth a total of EUR 788,113,387. This means 129.11% of the regional financial allocation. If we look at EU-funded projects in the Regional Operational Programme, we note the following (inforegionordest.ro):

- ✓ For Priority Axis 1, there is a total of 90 projects, of which 47 contracted and 43 completed;
- ✓ For Priority Axis 2, there are 31 projects, of which 25 completed and 8 contracted,
- ✓ For Priority Axis 3, there are 116 projects, of which 60 contracted and 56 completed;
- ✓ For Priority Axis 4, there are 327 projects, of which 42 contracted and 285 completed.
- ✓ For Priority Axis 5, there is a total of 47 projects, of which 23 contracted and 24 completed.

If we analyse in detail the existing projects in the Priority Axis 5 depending on the county where they have been implemented, we note that 6 projects are contracted in Bacău County, 7 projects in Botoşani County, 6 in Iaşi Couny, 7 in Neamţ County, 19 in Suceava and 2 in Vaslui. Looking from the perspective of the area applied, 22 of them are aimed at the cultural heritage and 25 are aimed at the improvement of the tourism activity in the area. Regarding the promotion of the tourism potential and creating the necessary infrastructure, no information is provided yet.

6. Distribution of projects financed through the Regional Operational Programme for the Bucharest – Ilfov development region

If we analyze the situation for the Bucharest-Ilfov development region, we can mention the following (regioadrbi.ro):

- ✓ For **Priority Axis 1,** there is a total of 80 projects, of which 13 projects rejected, 50 contracted and 17 completed. The completed projects have requested a value of 103.3 million lei, while those contracted require an amount of 845 million lei. The amount reimbursed endorsed by the IB is 186.4 million lei
- ✓ For **Priority Axis 2,** there is a smaller number of projects – 40. Of these, 17 are rejected, 18 are contracted and 15 are completed. Contracted projects require an amount of 305.1 million lei, while the completed ones – 260.9 million lei. The amount reimbursed endorsed by the IB is 182 million.
- ✓ In **Priority Axis 3**, there are 92 projects, of which 16 are rejected, 38 are contracted and 13 are completed. The amount requested for contracted projects is 336.1 million lei and for those completed – 74.5 million lei. The amount reimbursed endorsed by the IB is 97.2 million lei.

✓ **Priority Axis 4** records the largest number of projects submitted. Thus, of the 605 projects, 380 are rejected, 217 are contracted and 165 are completed. The amount requested for contracted projects is 292.4 million lei, and for those completed –158.7 million lei.

✓ Regarding **Priority Axis 5**, there are 20 projects submitted, of which 6 projects are rejected, 11 are contracted and 2 are completed. The value of contracted projects is 244.3 million lei, while of those completed is 42.7 million lei. The amount reimbursed endorsed by the IB is 75.5 million lei.

If you look at the overall projects funded through the Regional Operational Programme in the development region Bucharest – Ilfov (until January 2015), we note that the amount allocated was 1,608.1 million lei (ERDF + State Budget). The number of submitted projects in total was 837, their value being 4.273,7 million lei. Of these, only 334 were contracted and 212 have been completed. The pre-financing request endorsed by the IB was 125.1 million lei, and the amount reimbursed by the IB was 758.95 million lei (regioadrbi.ro). Regarding the promotion of the tourism potential and creating the necessary infrastructure, no information is provided yet.

Projects financed under Priority Axis 5 aimed: the consolidation, restoration, preservation of the Arc de Triomphe; the consolidation, restoration, preservation of the Cesianu House; the rehabilitation and consolidation of the Nicolae Minovici Museum; the restoration and sustainable tourism capitalization of the Floreasca St. Sophia Church; the restoration, consolidation and protection of the Patriarchal Palace monument in Bucharest; the consolidation of the Vasile Urseanu Observatory; the expansion of the Criss Hotel – Bucharest; the improvement of the activity at the "La stejarii" leisure complex, and of the activity at the "Tei- Plumbiţa" leisure park, and tourism planning on the Floreasca and Tei Lakes. (Regioadrbi.ro).

Conclusions

From the analysis carried out, we noticed how projects were distributed in the development regions analyzed (South – Muntenia, Bucharest – Ilfov, South – East and North – East) via the Regional Operational Programme. The study provided valuable information on the number and value of contracted projects. From the data presented in this paper, a series of researches can conducted aimed at identifying the effectiveness of these projects in the development regions where they have been implemented. Moreover, in terms of projects accessed via Priority Axis 5, we can determine how the results contribute to the fulfillment of objectives existing at national level.

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