

**RESULTS OF THE IMPLEMENTATION OF CONVERGENCE PROGRAMMES
BY THE PUBLIC AUTHORITIES AT SUBREGIONAL LEVEL:
EVIDENCE FROM 3 ROMANIAN COUNTIES**

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Abstract

The years 2006-2016 marked a challenging decade for Romania in terms of regional development as they covered the preparation, implementation and the necessary arrangements for the closure of the first financial exercise within the cohesion policy. As more data is becoming available with regard to the final results of the convergence programmes, the present paper focuses on the actual achievements of these programmes in 3 of the Romanian counties from the region North East. Using a bottom-up approach, the paper analyzes the results of the projects carried out by public type authorities at county and locality level, identifying the areas where the financial support was concentrated and the performance of the local authorities in using the European Union funds. As currently the set-up for the second financial exercise is under fine tuning, the paper also suggests some future means of improving the type of information regarding the physical achievements of the interventions on regional development.

Keywords:

Regional development, structural instruments, results of implementation, convergence, cohesion policy

Introduction

Many opportunities for regional development initiatives were made available for the Romanian public authorities both at the county level and at the locality one. These opportunities were offered within 5 programmes financially supported by Regional Development European Fund, the Social European Fund and the European Cohesion Fund. Two of these programmes, the 2007-2013 Regional Operational Programme (ROP) and the 2007-2013 Administrative Capacity Development Programme (OPACD), targeted the public authorities more than the other programmes. The first one provided non-reimbursable support for road rehabilitation, investments in the social, cultural, health and educational infrastructure and also for tourism (Regional Development, Housing and Public Works Ministry, 2007). The second programme offered non-reimbursable support for improving the way in which public policies are managed and for increasing the quality of the provided public services (Ministry of Interior and Administration Reform, 2007).

The other 3 programmes provided non-reimbursable support for investments in the water and waste water infrastructure, waste infrastructure, heating and conservation of the biodiversity (Operational Programme Environment), e-government, communication and IT infrastructure, new capacities of energy production (Sectoral Programme Economic Competitiveness Increase), education and employment (Sectoral Programme Development of Human Resources).

The research reflected in this paper aimed to identify how did the local authorities from 3 counties of the Romania's North East region (Bacău, Neamț and Suceava) take advantage of these opportunities. In this respect, all projects having as beneficiary a county council, a town hall, a city council, or commune hall were analyzed in terms of both physical achievements and financial appropriations. The main investment areas were highlighted,

identifying at the same time the performers in attracting the EU non-reimbursable assistance.

The conclusions of the paper include some suggestions for the future programming period regarding the information that should be made available for the citizens regarding the achievements made with the EU non-reimbursable support, having as a starting point a few best practices identified in this field.

1. Methodology

The methodological approach used for this paper was a desk review of the information available regarding the projects benefitting from EU non-reimbursable support implemented in the counties of Suceava, Bacău and Neamț by public authorities. First, the online tool offered by the European Funds Ministry (available at www.fonduri-ue.ro) was used in order to filter all projects implemented in the 3 counties previously mentioned. Out of these projects, only the ones implemented by an administrative unit represented by a county council, a city council, a town hall or a commune were selected. In this manner a population of 209 projects resulted, out of which 165 finalized projects and 44 projects that are still under implementation.

The financial information for every project was extracted from the lists of contracted projects published by the European Funds Ministry for 31 August 2016. The detailed population is represented in Table 1, in which VNC stands for the Value of Non-reimbursable Contribution (the amount of the non-reimbursable grant received by the beneficiary) and VEUA stands for Value of EU Assistance (the amount of the contribution to the project from the EU specific fund).

Table 1 Projects implemented/under implementation (million lei)

	Finalized projects			Projects under implementation			Total projects		
	No.	VNC	VEUA	No.	VNC	VEUA	No.	VNC	VEUA
Bacău	59	250	217	25	540	392	84	790	609
Neamț	50	401	327	4	8	7	54	409	334
Suceava	56	315	264	15	265	226	71	580	490
TOTAL	165	966	808	44	813	625	209	1,779	1,433

Source: Data adapted by authors from www.fonduri-ue.ro (SMIS data regarding the contracted projects and Lists of contracted projects at 31/08/2016)

Using this information, an analysis was performed with regard to 3 aspects: the distribution per EU fund of finalized projects per county, the EU funds implemented under each operational programme and the distribution of EU funds per beneficiary type. Also, an analysis was made on the EU funds spent by each public authority, identifying the performers in this field.

The types of projects implemented in each county were also examined. For all 165 finalized projects, the degree of availability of information regarding the physical progress achieved was examined.

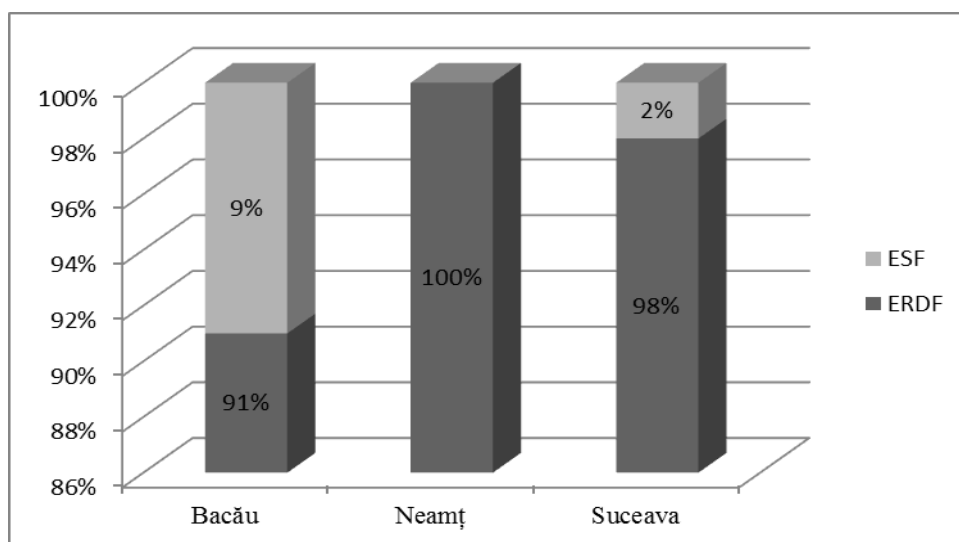
In the case of ROP projects, the online tool supplied by the Regional Development Agency for North East was used (available at <http://www.proiecte.inforegionordest.ro/>). For the other projects, the websites of the managing authorities and of the beneficiaries were used.

2. Results

The main results obtained following the different analyzes performed are described in the following sections.

2.1 Distribution of finalized projects per EU fund

The first analysis made focused on the distribution in each of the 3 counties of the finalized projects according to the EU funds which financed the projects. As shown in Fig. 1, most of the projects were financed by the Regional Development European Fund (ERDF), over 90% in the counties of Bacău and Suceava and 100% in the case of the Neamț County. A very low amount of the Social European Fund (ESF) was used by the projects, 2% by the County of Suceava and 9% by the County of Bacău.



Source: Adaptation made by authors of data regarding the contracted projects from www.fonduri-ue.ro (references 1 and 2)

Fig. 1 Finalized projects per EU fund

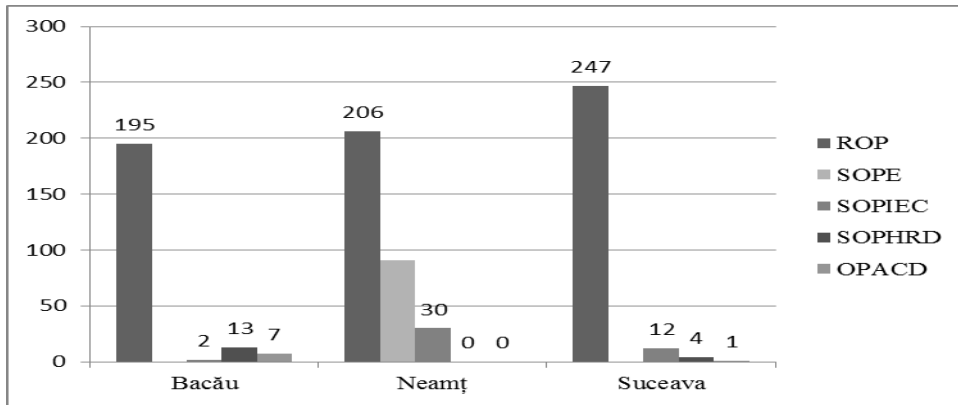
In Bacău, the analysis revealed 42 ERDF finalized projects, with an ERDF value of 197 million lei and 17 ESF finalized projects, with an ESF value of 20 million lei. In Suceava, 53 ERDF projects were registered, with an ERDF value of 259 million lei and 3 ESF finalized projects, having a value of ESF of 5 million lei.

No finalized or even under implementation ESF projects having as beneficiaries local authorities were identified at the level of the County of Neamț. In the case of Neamț, 50 finalized ERDF projects were registered, with a total ERDF value of 327 million lei.

Although, no finalized projects financed by the „Cohesion Fund” (CF) were identified in the 3 examined counties, there are 2 projects under implementation registered in the County of Bacău.

2.2 Distribution of finalized projects per operational programme

The second analysis examined the distribution of finalized projects in each of the 3 analyzed counties per each operational programme. As reflected in Fig. 2, the most accessed programme was the ROP, 93% of the value of the finalized projects in Suceava, 90% in Bacău and 63% in Neamț County.



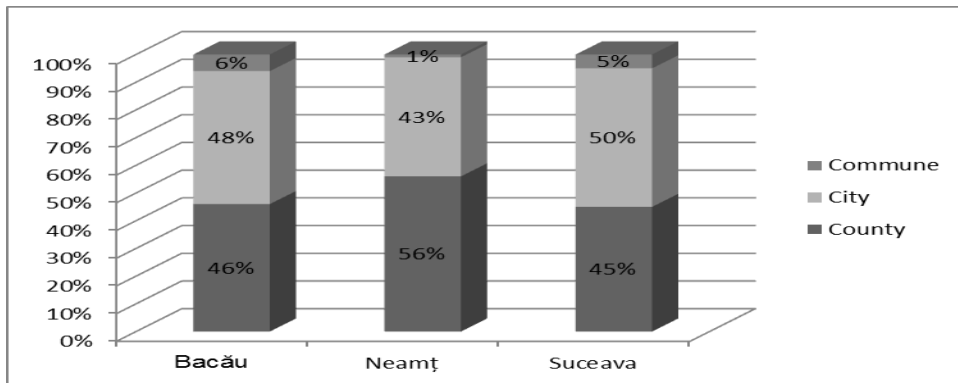
Source: Adaptation made by authors of data regarding the contracted projects from www.fonduri-ue.ro (references 1 and 2)

Fig. 2 Finalized projects per operational programme (million lei)

In Bacău, the analysis identified 41 projects implemented under ROP, with an EU value of 195 million lei, 1 project implemented and SOPIEC, with an EU value of 2 million lei, 6 projects under SOPHRD, with an EU value of 13 million lei and 11 projects implemented under OPACD, with an EU value of 7 million lei. A similar situation was registered in the County of Suceava: 50 projects under ROP (247 million lei), 3 projects under SOPIEC (12 million lei), 1 project under SOPHRD (4 million lei), 2 projects under OPACD (1 million lei). In the case of Neamț, out of 50 finalized projects, 40 were implemented under ROP (206 million lei EU assistance), 5 projects under SOPE (91 million lei) and 5 under SOPIEC (30 million lei).

2.3 Distribution of projects that are finalized per beneficiary type

The third analysis focused on the distribution of projects that are completed per beneficiary type (County, City and Commune) in the 3 counties. The results are exposed in Fig. 3.



Source: Adaptation made by authors of data regarding the contracted projects from www.fonduri-ue.ro (references 1 and 2)

Fig. 3 Finalized projects per type of beneficiary

According to the data, in Bacău, most of the projects were implemented by the public authorities from the level of the city (33 projects with an EU value of 104 million lei). The rest

of the projects were implemented at the level of the county (12 projects with an EU value of 99 million lei) and of the communes (14 projects with an EU value of 14 million lei).

In the case of Neamț, most projects (23 projects with an EU value of 183 million lei) were implemented at the level of the counties, followed by the projects from the city level (21 with an EU value of 140 million lei) and the finalized projects implemented by the communes (6 projects with an EU value of 4 million lei).

In the County of Suceava, most projects were implemented at the level of the cities, both as number and value (23 projects with an EU value of 130 million lei). In this case, 19 projects were implemented by the county councils (120 million lei) and 14 by the communes (14 million lei).

2.4 Performers of implementing the EU funds

The third analysis focused on identifying the 10 most active public authorities from the 3 counties, on the basis of the value of the EU non-reimbursable support implemented within their projects. The results are presented in Table 2.

Table 2 Value of the EU Assistance per beneficiary (million lei)

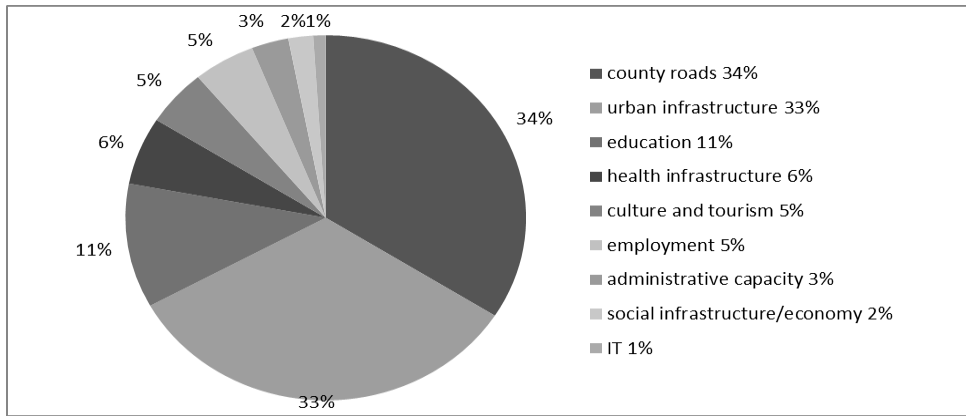
Beneficiary	Value of EU Assistance
County Council Neamț	183
County Council Suceava	118
Bacău County	99
Piatra Neamț Municipality	96
Suceava Municipality	90
Bacău City Hall	47
Roman City Hall	32
Onești City Hall	27
Moinești City Council	19
Câmpulung Moldovenesc City Hall	17
TOTAL	728

Source: Data adapted by authors from www.fonduri-ue.ro (SMIS data regarding the contracted projects and Lists of contracted projects at 31/08/2016)

As reflected in Table 2, the main beneficiaries of the financial assistance were the 3 county councils. Almost 50% of the entire amount of the EU funds is concentrated at the county level. The next 3 beneficiaries are the 3 city municipalities from the main city in each county: Piatra Neamț, Suceava and Bacău. Overall, the 10 most active beneficiaries implemented 90% of the total amount EU assistance from all the 3 counties.

2.5 Distribution of finalized projects per type of intervention

The final analysis performed focused on the typology of projects implemented in each county by the public authorities, in terms of the EU nonreimbursable support. The results obtained for the County of Bacău are reflected in Fig. 4.

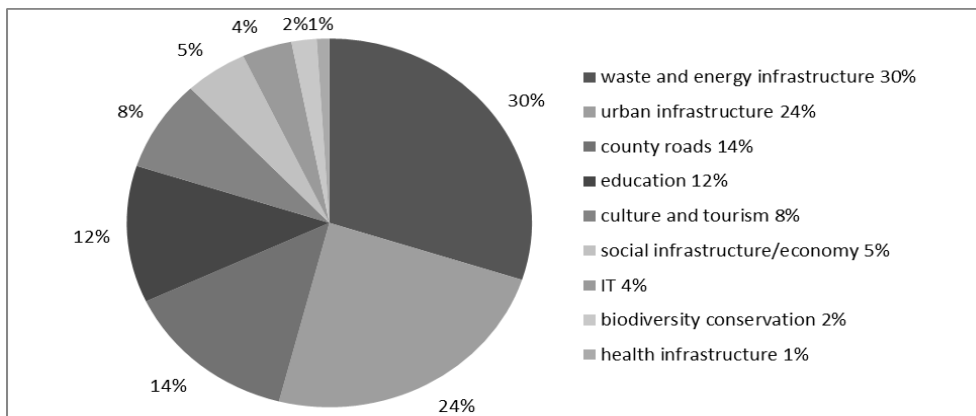


Source: Adaptation made by authors of data regarding the contracted projects from www.fonduri-ue.ro (references 1 and 2)

Fig. 4 Typology of finalized projects in Bacău County

Out of the 59 projects, most of them targeted education (15 projects representing 11% of the total EU non-reimbursable support), the urban infrastructure (12 projects representing 33% of the total EU non-reimbursable support) and the enhancement of the administrative capacity (9 projects representing 3% of the total EU non-reimbursable support). The largest EU non-reimbursable support was received by 3 projects in the field of county roads rehabilitation.

The results for the Neamț County are reflected in Fig. 5.



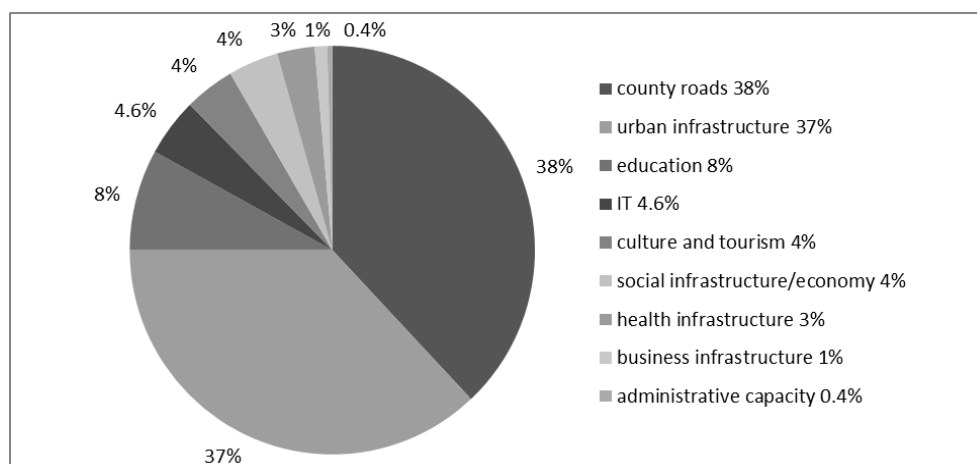
Source: Adaptation made by authors of data regarding the contracted projects from www.fonduri-ue.ro (references 1 and 2)

Fig. 5 Typology of finalized projects in Neamț County

In this case, most of the non-reimbursable EU support (30%) was concentrated in 2 projects, one implemented in the field of waste infrastructure and the other in energy production infrastructure, followed by 5 urban infrastructure projects (24%) and 3 county roads rehabilitation projects (14%). In terms of number of finalized projects, most projects were implemented in domains such as social infrastructure (12 projects, representing 5% of the non-reimbursable EU support), culture and tourism (10 projects representing 8% of the

non-reimbursable EU support) and education (9 projects representing 12% of the non-reimbursable EU support).

The results for the Suceava County are reflected in Fig. 6.



Source: Adaptation made by authors of data regarding the contracted projects from www.fonduri-ue.ro (references 1 and 2)

Fig. 6 Typology of finalized projects in Suceava County

As in the case of the Bacău County, over 75% of the non-reimbursable EU support was implemented via projects of county roads rehabilitation and urban infrastructure modernization. In terms of number of finalized projects, the highest number of projects targeted areas such as education (12 projects representing 8% of the EU assistance), culture and tourism (11 projects representing 4% of the EU support) and social infrastructure (9 projects, representing 4% of the non-reimbursable EU support).

2.5 Information about the main physical results obtained

In order to identify the main physical results obtained within each finalized project from all the 3 examined counties, an analysis of the indicators and of the results obtained was performed using the websites of the management authorities or intermediary bodies and of the ones of the beneficiaries. The analysis revealed that although the financial allocations per projects are widely available, few data is available concerning the physical achievements of projects.

Two of the operational programmes offer most technical information about the implementation of the finalized projects: ROP and SOPE. In the case of SOPE, data was available for all examined projects, either in the form of technical fiches published by the management authority or on the beneficiary's webpage. In the case of ROP, information regarding 62% of the projects was identified mainly on the webpage of the Agency of Regional Development for Romanian North East Region – NE RDA (<http://www.proiecte.inforegionordest.ro/>).

In the case of the other 3 programmes, data was available for less than 40% of the projects, as reflected in Table 3.

Table 3 Projects for which information regarding physical results is available (%)

Operational Programme	% of projects for which information regarding physical results is available
SOPE	100%
ROP	62%
OPACD	38%
SOPIEC	33%
SOPHRD	29%

Source: Authors' analysis of data from the websites of managing authorities, intermediate bodies (where the case) and beneficiaries

As a best practice, it was noticed that some of the beneficiaries of the OPACD publish the strategies, guides or training materials obtained within the finalized projects on their websites. Also, the managing authority offers online a list of some of these deliverables up to July 2015 (Ministry of Regional Development and Public Administration, 2015).

Conclusions

By analysing the results obtained with regard to the way in which the public authorities from the counties of Bacău, Neamţ and Suceava benefitted from the opportunities offered by the 2007-2013 operational programmes implemented in Romania, several conclusions can be drawn. First, little advantage was taken from the ESF non-reimbursable support. As such, no finalized or under implementation ESF projects were registered in Neamţ.

Second, the opportunities provided by some of the operational programmes were not fully used, especially OPACD in Neamţ, that could have provided nonreimbursable support for the modernization of the administrative capacity of the local authorities. Third, taking into consideration the reduced number of communes that managed to access the EU convergence programmes, especially in Neamţ, there might be a need for additional support for this type of beneficiary in the future.

Finally, there are some types of projects that were under implemented within the 2007-2013 programmes and from which the local authorities could make better use in the 2014-2020 programmes. We mention here for instance the business infrastructure (in the 3 counties only 2 projects implemented and those projects were implemented in Bacău) and IT (in the county of Bacău only 3 projects were finalized).

Another important aspect regards the technical information about finalized projects that is published online. A best practice was identified, at the level of ROP, that could be applied to the 2014-2020 programmes. As such, NE RDA provides an online search tool of ROP projects, which usually includes a fiche with details about each finalized project. Such a tool could be applied to all projects, under all EU funded programmes in Romania.

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