Difficulties in Applying Regional Policies in Romania

Crina Mihaela VERGA Ph.D.
George Bacovia University, Bacau, Romania
crina.verga@ugb.ro

Abstract: The first part of this paper concerns the concept of regional development as stated and clarified in a series of legal provisions adopted by the European Union. Another section tackles the regulation of regional policies in Romania in accordance with its specificities and the EU legal norms. The last part of this study synthetically summarizes some of the impediments to implementing regional policies. The major arguments in favor of supporting regional policies are purely economic, but we should also consider social, political, environmental factors. The manners of implementing regional policies vary from region to region depending on their particularities; the specific mechanisms are always entrusted to the local authorities, which, through their representatives, establish the directions of regional development in each region.

Keywords: regional policy; the European Union; Romania; impediments.

Introductory considerations

In the EU, social cohesion is a priority when setting up strategies and programs; thus, it is necessary to analyze the factors of social instability, namely the territorial differences between the regions. In this context, it was considered necessary to develop a regional development policy containing "a set of measures planned and promoted by the local and central public administration authorities in partnership with various (private, public, volunteer) actors, in order to ensure a dynamic and sustainable economic growth, by making effective use of the regional and local potential, for the purpose of improving living conditions" [1].

Regional development plays an important role in the economic and social policy of each Member State; as such, Romania's integration into the European space was not possible without the clarification and consolidation of the regional issue, whose aspects involved approaching the various economic, social and political domains of each region.

Moreover, the current trends in the global economy force regional policies to adjust to the requirements of a competitive development process and shift the focus from underdevelopment to competitiveness [2].

We believe that this study may be of interest to central public authorities in developing legislation and removing deficiencies in this field, legislation in line with the existing EU legal regulations and the good practices in its Member States. Nonetheless, these considerations may be particularly beneficial for local public authorities, which could noticeably improve the process of absorbing European funds for the concrete, effective and efficient implementation of regional policies.

1. The concept of regional development in the European Union

Regional development is "the development that fulfills the needs of the present, without compromising the ability of future generations to fulfil their own needs" [3].

The major objectives of the European regional development policy are: reducing the differences in the socio-economic development of a certain territory, stimulating its potential and preventing new imbalances.

A region is the fundamental element in relation to which theories are emitted, specific methods and techniques of investigation are being developed, objectives and measures and the instruments allowing their implementation are defined.

A region can be defined as "an area of a territory with distinct and consistent internal (physical or human) characteristics that give it a certain significant unity and distinguish it from other neighboring areas" [4], and which has "some degree of autonomy from the central authority" [5].

In the official documents of the European Union, the notion of region is less outlined.

An important moment in the evolution of the EU policy on regional development is the adoption in 1986 of the Single European Act [6], which enshrines the importance of regional policy as instrument able to reduce regional disparities.
Title XVII of the Treaty establishing the European Community (integrant part of the Maastricht Treaty) [7] is entitled "Economic and social cohesion", by means of which the Community seeks to reduce the disparities between the levels of development of the various regions and the backwardness of the least favored regions, including rural areas (Art.130 A para. 2).

Another regulation on the matter, drawn up in 1998, is the Resolution on Community Regional Policy [8] (also called The European Charter for Regionalization), by means of which the European Parliament was in favor of regionalization of the European Community. The aforementioned document defined region as "a territory which constitutes, from a geographical point of view, a clear-cut entity or a similar grouping of territories where there is continuity and whose population possesses certain shared features and wishes to safeguard the resulting specific identity and to develop it with the object of stimulating cultural, social and economic progress".

The Reform Treaty of Lisbon [9] (adopted in October 2007 and entered into force in 2009) includes the concept of territorial cohesion among the objectives of the European Union. Thus, "economic and social cohesion" becomes "economic, social and territorial cohesion", which enables the Union to address existing disparities, thereby creating more coherence between the sectoral policies of the EU.

The discussion on territorial cohesion requires addressing the specific issues of urban policies, which has always been a key component of European regional development policy. By adopting the "Leipzig Charter on Sustainable European Cities" [10], the cohesion policy reform for the programmed period 2007-2013 has brought new elements to address this dimension, enhancing national interests to develop specific strategies dedicated to urban development. In this sense, the above-mentioned Charter recognized the concept of integrated urban development (born in the early 1990s) used as an administrative technique and practice of urban development by a number of European cities, but also as a dimension of urban policy in the broader framework of the European Union's regional policy.

The integrated urban development policy is a process that coordinates the spatial, sectoral and temporal aspects of the key areas of urban policy. In this respect, the Charter makes a number of recommendations:

1. making greater use of integrated urban development policy approaches by: creating and ensuring high-quality public spaces; modernizing infrastructure networks and improving energy efficiency; proactive innovation and educational policies;
2. paying special attention to deprived neighborhoods within the context of the city as a whole by: pursuing strategies for upgrading the physical environment; strengthening the local economy and local labor market policy; proactive education and training policies for children and young people; promoting efficient and affordable urban transport.

The European Commission document entitled Europe 2020. A strategy for smart, sustainable and inclusive growth [11] is of real interest in this context. It proposes three priorities that are intrinsically connected to regional development: smart growth (developing an economy based on knowledge and innovation); sustainable growth (promoting a more resource efficient, greener and more competitive economy); inclusive growth (fostering a high-employment economy delivering social and territorial cohesion).

The integrated guidelines for the implementation of Europe 2020 Strategy, updated in 2015, were identified in two important regulations: Council Recommendation (EU) 2015/1184 on broad guidelines for the economic policies of the Member States and of the European Union [12] and Council Decision (EU) 2015/1848 on guidelines for the employment policies of the Member States for 2015 [13].

2. Regional development in Romania

2.1. Preliminary considerations

The accession of states to the European Union and, consequently, the implementation of its decentralized cohesion policy within the development regions, implied a concerted administrative-institutional effort at central and local level, each state trying to find the most appropriate formula, according to its own administrative traditions and culture. But this is an open, ever-changing process because it is based on continuous learning and adaptation to the changes in the external environment.

In the European context, the regions subject to development policies are designated according to The nomenclature of territorial units for statistics (NUTS) and compared (regions at the same level) according to specific indicators, such as gross domestic product (GDP) per capita and structural unemployment rate.

The NUTS structures the EU territorial units on three hierarchical levels, establishing structural units of comparable size, which allows harmonizing regional statistics of member countries, conducting regional analyzes within the European Union, elaborating EU regional policies etc. The level of the statistical

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territorial units is determined by size classes, according to population, under the provisions of Regulation no. 1059/2003 [14]. In Romania, these levels are presented in the table below.

<table>
<thead>
<tr>
<th>Level</th>
<th>Territorial unit</th>
<th>Population</th>
<th>Observations</th>
</tr>
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<tbody>
<tr>
<td>NUTS 1</td>
<td>Macro-region</td>
<td>3,000,000</td>
<td>7,000,000</td>
</tr>
<tr>
<td>NUTS 2</td>
<td>Development region</td>
<td>800,000</td>
<td>3,000,000</td>
</tr>
<tr>
<td>NUTS 3</td>
<td>County</td>
<td>150,000</td>
<td>800,000</td>
</tr>
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Reducing the main regional imbalances in Romania, diminishing the differences in development between different regions and the disadvantaged regions catching up with the other ones can be achieved by use of the structural instruments for financing the programs developed within the framework of the European policies: The European Regional Development Fund (ERDF), The European Social Fund and The Cohesion Fund. The first instrument, the ERDF, has the most important contribution in Romania and it is considered the most important fund benefiting our country.

In Romania, the regional development policy is carried out at NUTS 2 level (Figure no.1), the level of disparities between these regions being reviewed at the level of several economic and social indicators, the most important and relevant one being the GDP per capita. The evolution over time of this indicator reflects the increase or decrease of inter-regional disparities and it represents the basis for political decisions regarding the allocation of structural funds and other financial instruments.

Figure no. 1. The development regions in Romania


2.2. Reference documents on Romania’s regional development

The National Reform Program (NRP) 2015 [15]

The National Reform Program (NRP) 2015 is the framework platform for defining structural reforms and development priorities guiding Romania’s evolution by 2020, in line with the goals of Europe 2020 Strategy. This document aims at harnessing the growth potential by boosting competitiveness and productivity, strengthening social and territorial cohesion, creating new jobs.

The NRP 2015 continues the long-term reforms undertaken in the NRP 2011-2013 and the short and medium term reforms provided in the NRP 2014.

The Priority Action Plan

The Priority Action Plan [16] was adopted to lay the foundations for the implementation of the 2014-2020 financial years and it was intended to avoid a significant loss of funds on the 31st of December 2015, along with the smooth start of the 2014-2020 programmed period [17].
The National Strategy for Regional Development (NSRD) 2014-2020

The National Strategy for Regional Development (NSRD) 2014-2020 [18] is the framework document for substantiating funding programs from external/EU, national and/or local funds intended for regional development.

The overall objective established by the National Strategy for Regional Development is to continuously improve the quality of life by ensuring well-being, environmental protection and economic and social cohesion of sustainable communities capable of managing resources effectively and harnessing the regions’ economic and social potential for innovation and balanced development.

The Regional Operational Program (ROP) 2014-2020

The Regional Operational Program (ROP) 2014-2020 [19] is the only program that has a regional approach, with the overall objective of increasing economic competitiveness and improving the living conditions of local and regional communities by supporting the development of the business environment, infrastructure conditions and services, which would ensure a sustainable development of the regions, capable of managing resources effectively and harnessing their potential for innovation and assimilating technological progress. The specific objectives of the program are detailed through a brief presentation of the Priority Axes (PAs), the Thematic Objectives (TOs) and the Investment Priorities (IPs). All these must be in line with the objectives of Europe 2020 Strategy for smart, sustainable and inclusive growth.

The Green Charter on Regional Development

Between 1996 and 1998, a project ran under the PHARE Program for Regional Development Policy, initiated by the European Union and the Government of Romania, following which The Green Charter. The Regional Development Policy in Romania [20] was drafted in 1997. This document is structured in two major parts. The first part contains relevant clarifications on regional development policies in the European Union. In this respect, a retrospective look at the national regional development policies is first undertaken. Then, reference is made to the European Commission's control over the territorial distribution of regional aid. This concerns disadvantaged regions and sparsely populated regions. The models of coordination at national level are also presented in this context. Definitions of Regional Development Agencies (RDAs) are provided and current practices in the collection and processing of regional statistical data are mentioned. The second part includes clarifications on the statistical data collection system and the financing of local budgets. Thus, reference is made to: regional statistics; current practices in the field of obtaining regional statistical data; the main existing sources of information; local and central funding.

The proposed objectives were: "preparing Romania’s accession to the EU and becoming eligible for aid from its structural funds; reducing disparities between different regions of Romania; integrating public sector activities in order to achieve a higher level of regional development" [21].

Subdividing a country into regions is customarily done for administrative or development purposes. According to the recommendations of the Green Charter, the structure of the regions respected the principles of similarity and complementarity in relation to economic and social characteristics.

Development regions are administrative-territorial units without legal personality. They are considered as functional regions (due to the infrastructure or human interaction systems) and as units for programming the implementation of regional development policies. They are also the framework for collecting specific statistical data in line with the European regulations [22].

The eight development regions proposed by the Green Charter (a structure also adopted in Law no.151/1999 on regional development in Romania and in Law no.315/2004 on regional development in Romania) are: North-East Region (sub-regions: Botoşani, Vaslui, Iaşi; Suceava, Neamţ, Bacău); South-East Region (sub-regions: Brăila, Galaţi, Constanţa, Tulcea, Vrancea, Buzău); South Region (sub-regions: Argeş, Dâmbovita, Prahova, Teleorman, Giurgiu, Ialomiţa, Câlăraşi); South-West Region (sub-regions: Dolj, Olt, Mehedinţi, Gorj, Vâlcea); West Region (sub-regions: Timiş, Arad, Caraş-Severin, Hunedoara); Central Region (sub-regions: Braşov, Sibiu, Covasna, Harghita, Mureş, Alba); Bucharest Region.

Law no. 151/1999 on regional development in Romania

Also, as a result of the research under the PHARE Program in the period 1996-1998, Law no. 151/1998 on regional development in Romania [23] was elaborated in 1998, thus creating the legal framework for establishing the development regions and the territorial and national structures for regional development.

According to Law no.151/1998 and the methodological norms for its application (Government Decision no.634/1998 [24]), regional development represents "all policies of central and local public
administration authorities, drafted for the improvement of the economic performances of some geographic areas organized as "development regions" and which benefit from the support of the Government, the EU and other interested national and international institutions and authorities".

The eight development regions are "areas corresponding to groups of counties, constituted by their voluntary association based on a convention, signed by the representatives of the county councils and of the General Council of the Bucharest Municipality respectively”. They are "the framework for designing, implementing and evaluating regional development policies as well as for collecting specific statistical data in accordance with European regulations issued by Eurostat for NUTS 2 in the European Union" [25].

Initially, the institutional structure for regional development consisted, at national level, in The National Council for Regional Development (NCRD) - as deliberative body for coordination and promotion of the national regional development policy, and The National Agency for Regional Development (NARD) - as an executive body of the National Council, and, at the level of each region, in the regional council and the regional agency.

After the 2002 elections, instead of the NARD, The General Directorate for Regional Development began its activity under the newly created Ministry of Development and Prognosis (MDP).

A new change occurred after the Government's restructuring in June 2003, when the MDP was eliminated, and its attributions were taken over as follows: the activity in the prognosis field was taken over by the National Prognosis Commission, regional development was distributed to The Ministry of European Integration, the activity concerning the business environment (industrial parks included) went into the portfolio of the Ministry of Economy and Commerce and the activities on disadvantaged areas were taken over by the Ministry of Administration and Interior. All these transformations led to a series of difficulties in the proper functioning of the institutional framework for regional development, with Romania being often criticized for institutional instability, which had negative consequences on the accession process [26].

Law no. 315/2004 on regional development in Romania

Law no. 315/2004 on regional development in Romania, with the subsequent amendments [27] reiterates the objectives stated in the previous regulation and considered primary for regional development:

a) reducing the existing regional imbalances by stimulating balanced development, by quickly decreasing the current delays in the development of disadvantaged areas due to historical, geographical, economic, social, political reasons and preventing the occurrence of new imbalances;

b) preparing the institutional framework in order to meet the criteria for integration in the structures of the European Union and access to the structural funds and the EU Cohesion Fund;

c) correlating Government sectoral policies and activities at regional level by stimulating initiatives and capitalizing on local and regional resources for the purpose of sustainable economic and social progress and their cultural development;

d) stimulating inter-regional, internal, international and cross-border cooperation, Euroregions included, as well as the participation of development regions in European structures and organizations that promote their economic and institutional development in order to achieve common interest projects, in accordance with the international agreements to which Romania is party.

2.3. Decision-making and administrative structures

2.3.1. Decision-making and administrative structures at regional level

At regional level, the regional development policy was designed and implemented through two types of structures, established following the recommendations of The Green Charter on Regional Development in Romania: 8 Regional Development Councils and 8 Regional Development Agencies.

According to Law no. 315/2004, the Regional Development Councils have numerous tasks: analyze and approve the regional development strategy and programs; support the development, in partnership, of the National Development Plan; approve the regional development projects selected at regional level in accordance with the criteria, priorities and methodology developed by the national institution with attributions in the field of regional development, together with the specialized regional bodies; approve the criteria, priorities, allocation and destination of the resources in the Regional Development Fund; submit proposals to the National Council for Regional Development for the allocation of resources toward the Regional Development Fund; oversee the use of funds allocated from the National Fund for Regional Development; approve the half-yearly activity reports drawn up by the regional development agencies; coordinate and support the development of regional partnerships.

In each development region there is a regional development agency operating as a non-governmental, non-profit, public utility entity, with legal personality, acting in the specific field of regional development.
Agencies are organized and operate under the law on regional development and the Statute on organization and functioning, approved by the Regional Development Council. Under the regulations in force, an agency has multiple tasks: drafts and submits for approval to the Regional Development Council the regional development strategy, the regional development programs and the fund management plans; implements regional development programs and fund management plans in accordance with the decisions adopted by the Regional Development Council, under the law, and is accountable for their implementation to the latter; identifies disadvantaged areas within the development region, together with the local or county councils, as appropriate; submits proposals to the Ministry of Regional Development and Public Administration for the financing of the approved development projects from the National Fund for Regional Development; manages the Regional Development Fund in order to achieve the objectives set out in the regional development programs; is accountable for the proper management of the allocated funds to the Regional Development Council and to the bodies authorized by law.

2.3.2. Decision-making and administrative structures at national level

The National Council for Regional Development (NCRD) operates at national level as a deliberative institution without legal personality, having the mission to promote the basic objectives of the regional development policy. In this respect, NCRD has a number of prerogatives: approves the National Strategy for Regional Development and the National Program for Regional Development; submits proposals to the Government for the establishment of the National Fund for Regional Development (NFRD); approves the criteria, priorities and allocation of the NFRD resources; oversees the use of the funds allocated form the NFRD to the regional development agencies; oversees the achievement of the regional development objectives of the development regions in external cooperation activities performed at cross-border, inter-regional or Euroregion level; submits proposals to the Government for the declaration and delimitation of disadvantaged areas.

In the field of regional development and overall socio-economic development, The Ministry of Regional Development, Public Administration and European Funds has numerous tasks: elaborates the draft of the National Development Plan, which it submits for approval to the Government; coordinates the implementation of the national development policy across the country, by regions and areas; oversees the achievement of the objectives of economic and social cohesion, in order to reduce the differences in development of regions and areas of the country and to strengthen the competitive capacity of each region; collaborates with the Ministry of Foreign Affairs in achieving the external cooperation objectives of the development regions at cross-border, inter-regional or Euroregion level; analyzes and proposes to the National Council for Regional Development the establishment of regional development programs and projects; develops the criteria, priorities and procedures required to fund regional development programs and projects; develops support programs for regions.

3. Impediments to the implementation of regional development policies

The regional development policy, theoretically, strengthens the role and responsibilities of local government and regional bodies in the economic and social development of each local community as well as of the development regions, while reducing the involvement of government institutions in such activities. Thus, for Romania, the regional development policy is an essential component of local autonomy. In practice, however, the effective implementation of regional development policies faces the following negative factors:
- labor market issues and an imbalance between supply and demand (also at qualitative level);
- the poor state of social infrastructure and public utilities, which also threatens the investment climate;
- the still strong dependence on the agricultural sector and the decline of many economic centers;
- limited access and attractiveness of most regions and underdeveloped business infrastructure;
- limited financial, technical and managerial capacities at regional and local level;
- continuous deterioration of urban social infrastructure and quality of life;
- the lack of available financial resources for large infrastructure at local level;
- limited access to regions and congested road network in the capital.

Since the EU accession up to present, some factors that have impact on attracting European funds to Romania have been identified. The impediments encountered affect both the development of Romania as a whole and that of local communities. The latter are undoubtedly the fundamental reformation element of the country since "the emergence of local administrative life has long before preceded that of the general one, because, in the historical order of things, local communities with their own needs preceded the birth of the state" [28].

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3.1. The long evaluation period of projects
In our country, the evaluation of project drafts takes place over a period of 6 to 12 months, leading to many local investment projects being aborted. The state outsourcing to banks the evaluation and implementation of European projects represents a solution for accelerating the absorption of EU funds. In Italy, for example, where this model applies to European programs, the timeframe for the evaluation stage is 1-2 months. Banks are involved in the management of European funds by partially taking over the tasks of intermediary bodies [29].

3.2. Contestations by economic operators
In the process of harmonizing internal legislation with the EU law, in the field of public procurement, Government Emergency Ordinance no.34/2006 - the framework document regulating the award of a public procurement contracts - has undergone several changes intended to create rules that lead to an efficient and transparent spending of public money. Currently, the mentioned normative act was repealed by Law no.98/2016 on public procurement [30], also amended by Government Emergency Ordinance no.80/2016 and Law no.80/2017. The analysis of the recent years practices reveals that one of the frequent reasons for extending, sometimes unjustified, the award procedures, has been the contestations brought by economic operators, correlated with the difficult system of solving these complaints. Within this system, the main disruptive element was the automatic suspension of the award procedure whenever a contestation was submitted. Taking advantage of this aspect, the practice of "cascade" contestations arose, which implicitly led to suspension of procedures, likely to cause major delays in completing projects [31].

3.3. Insufficient resources for co-financing
The economic and financial capability of the administrative-territorial units differs from one community to another, many of them experiencing deficiencies in raising their own revenue levels. One defining aspect is that local authorities, generally, have freedom as to how they spend local revenues. Thus, they could create a special account in which to direct some of their own local resources for co-financing European projects; in order to do this, the financial managers of local communities should set among their fundamental objectives the increase of the level of collection and of their local resources level. Until this goal has been achieved, many communities have to take out bank loans to co-finance their investment projects.

3.4. Banks reluctance to offer loans
The process of absorbing European funds is cumbersome and allows little improvement, being one of the weaknesses for which Romania has frequently received criticism both from the EU institutions and from the representatives of the International Monetary Fund. The most difficult impediment in attracting funds remains the co-financing of projects, given that banks, faced with the prospect of losses, have become increasingly reluctant to offer loans [32].

3.5. The complex system for managing structural funds
In order to better understand the management of European projects, we have used the following graphical representation:
Each of the bodies identified in the above figure has well-defined tasks and responsibilities designed for the correct and efficient use of the amounts of money allocated from the European Regional Development Fund (ERDF). Thus, the first step toward paying the expenses takes place at the level of contractors. They issue the invoices for the works and services they provide for the project beneficiary.

Among the services contracted within the project there are advertising, management, works and audit services. After receiving the invoices, the beneficiary checks the accuracy, timeliness and eligibility of expenses (ex-ante) (the internal control stage). Another task of the beneficiary is to send the request for reimbursement to the Intermediary Body, as well as other necessary documents.

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Once fulfilled the stage at the 1st level of expense control, the Intermediary Body sends the documents received from the beneficiary to the Management Authority (MA) for the 2nd level of expense control. During the implementation of the project, these two institutions carry out similar tasks, which are mainly:
- confirm that reimbursement requests include only expenses: which were incurred; which were incurred with operations selected for funding in accordance with the selection criteria and procedures; resulting from operations for which State aid was approved by the Commission;
- perform on-site visits at lower levels, based on risk analyzes;
- ensure that adequate control is carried out at lower levels;
- send the reimbursement request and confirm it for the Certification and Payment Authority.

The third stage, which is the certification of expenditure, takes place at the level of the Certification and Payment Authority (CPA). The CPA verifies the existence of adequate control procedures at the level of the MA and, if necessary, it performs on-site checks at lower levels. Its duties, as regards the documents with which it operates, are the submission of the intermediate reimbursement request to the Commission and its certification at least 3 times per year. At the same time, the CPA is also the institution authorized to transmit the final reimbursement request. The CPA is the national authority which receives the funds directly from the
Commission, which later pays back the unused amounts and the amounts recovered from irregularities, if any, and which also transfers funds to the Payment Unit which, in turn, makes payments to the beneficiaries. Throughout the process, the Audit Authority performs the system audit, sample checks and submits the winding up to the Commission.

The European Commission has a relatively timid role in the implementation of operational programs at national level, but it is constantly informed by the national authorities. The Commission transfers the pre-financing, approves the transfers of intermediate payments to the CPA and transfers the final payment to the CPA after approving specific support documents.

In addition to the above-mentioned bodies, at the level of each development region, there are Regional Committees for Strategic Evaluation and Correlation (RCSEC), which, however, do not fulfill any task in the implementing of projects but have the role of strategically assessing the proposed projects, i.e. to evaluate how the proposed projects are correlated with the objectives of the Regional Operational Program and the development strategy of that particular region.

Most of the Operational Programs that can provide funding to local authorities have gone through a long programming phase, causing considerable delays in setting local development priorities, budget programming and the actual drafting of funding applications. Given these aspects, the level of access to structural funds is very low. Under the circumstances, the legislator should operate a simplification in the management of structural funds in order to make the absorption of the amounts made available by them more efficient.

In Romania, the possibility of collaboration between local authorities, especially small and medium sized ones, can be an effective means of increasing the absorption capacity of EU funds. The Romanian Government must play an active role in promoting associations between local authorities in order to help them benefit from these opportunities. Government’s initiative could also focus on attracting the private sector into drafting local projects and services in partnership with the local authorities. In the absence of a coherent strategy, local authorities will become dependent on EU funding and, when their amount decreases, local authorities will seek to get funds from the state budget rather than from the private sector [33].

In the 2005 Monitoring Report of Romania [34], the European Commission outlined the situation of the country's administrative capacity in the field of regional policy and of structural instruments coordination. The Commission's conclusions identified the main issues that Romania ought to consider in order to create an efficient system for attracting structural funds: the need for measures to strengthen administrative capacity in all major ministries and other relevant bodies; staff and pace of employment growth to recover the reported backlogs; substantial strengthening of cooperation between central and local levels; clarifying and creating co-financing mechanisms, especially at local level; actually implementing the partnership principle in the programming activity; strengthening financial management and control.

The still low level of payments to beneficiaries and EU reimbursements reveal the existence of significant problems and difficulties at the level of beneficiaries in terms of project implementation.

Development plans, regional operational programs and their implementation strategies are well defined by the bodies tasked with regional development, but we will not be able to discuss the success of regional development policies unless their implementation at the level of Romania will have a visible result in improving the economic, social, cultural and environmental areas.

Conclusions

Therefore, all measures that the public authorities order in view of correcting territorial disparities and triggering real economic growth represent regional development.

Regional development is a requirement to harmonize the potential of economies at national and EU level. The convergence of national policies is subordinated to the creation and development of the single internal market. Financing regional development processes does not only represent the per se purpose of identifying resources and fairly allocating them toward defined objectives.

The relation between urban and rural areas is of particular importance for the regional development of Romania. This relation is not only highlighted by most of the recent economic and sociological studies, but also by the spatial development plans produced at the level of counties.

Examining the planning process of regional development policies, we can conclude that the most efficient results in reducing development disparities are those that take into account the local specific and potential of each area.

Attracting structural funds is the solution to faster and more efficiently overcoming the current, poor economic and financial situation.
References


